[Urging the State and Federal Government to Include Large Nonprofits in Upcoming COVID-19 Relief Packages]

Resolution urging the United States Senate to pass the $3 trillion Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act), and urging federal leadership to include larger social enterprises with over 500 employees in upcoming COVID-19 relief funding packages.

WHEREAS, Social enterprise organizations like Goodwill of San Francisco, San Mateo, and Marin Counties ("SF Goodwill") and YMCA of San Francisco provide critical services to thousands of individuals per day in the City and County of San Francisco and the surrounding Bay Area; and

WHEREAS, The COVID-19 pandemic has increased demand for food assistance, mental health services, childcare, and other critical services, and the YMCA of San Francisco has continued providing this essential aid, and SF Goodwill partnered with a local food bank to support the community; and

WHEREAS, SF Goodwill provides second chances through training and the dignity of work and SF Goodwill has transitioned their job training and career services programs to virtual platforms and began helping recently unemployed residents navigate unemployment benefits and secure essential jobs; and

WHEREAS, Social enterprise organizations like SF Goodwill and YMCA of San Francisco operate self-funded business models in order to deliver their respective missions without full dependence on philanthropic donations or government grants; and

WHEREAS, SF Goodwill and YMCA of San Francisco have had to severely curtail their business operations and services to the community in order to comply with the Shelter in Place orders mandated by Bay Area jurisdictions and California Governor Newsom; and
WHEREAS, Although both organizations continue to receive funding through some private donations, regional and local financial hardships have made it increasingly difficult to continue to provide communities with critical services in the long term; and

WHEREAS, Despite financial hardships and difficult internal decisions to furlough and/or lay-off employees and skeletal staff, both organizations continue to serve all communities in the Bay Area during this critical time; and

WHEREAS, SF Goodwill and YMCA of San Francisco were ineligible for Paycheck Protection Program (PPP) funding from the CARES Act due to employing more than 500 employees; and

WHEREAS, The newly proposed HEROES Act outlines the support necessary for the industry by doing the following:

- Removing the 500 employee cap on the size of nonprofits eligible for PPP loans, including social-welfare organizations, unions, and trade associations

- Removing a Small Business Administration limit on nonpayroll expenses eligible for loan forgiveness

- Deferring principal and interest payments on PPP loans for one year, up from six months

- Extending the covered period for loans from June 30 to December 31

- Creating a 25 percent "set-aside" for PPP funding for nonprofits. Half of that set-aside would be for nonprofits with 500 or fewer employees and the other half for nonprofits with more than 500 employees

- Requiring that the Small Business Administration provide reports on loan approvals and disbursements to nonprofits

- Mandating that nonprofits be eligible for the Main Street Lending Program and that loans may be forgiven for nonprofits ineligible for a PPP loan and predominantly serving
low-income communities; and

WHEREAS, The proposed actions in the HEROES Act will ensure that organizations like the YMCA of San Francisco and SF Goodwill are able to obtain forgivable loans to continue to provide critical services to the community and put people back to work; and

WHEREAS, Covering the cost of unemployment financially impacts both organizations and we urge the Federal Government to cover 50% of these unemployment costs to reduce the increasing financial burden on SF Goodwill and YMCA of San Francisco; and

WHEREAS, Now more than ever, San Francisco must support the organizations that are working on the ground each day to provide vital services to members of our community, including frontline workers; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco urge the U.S. Senate to pass the $3 trillion Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco support the efforts to urge the federal government to include large social enterprises with 500 or more employees in all future iterations of COVID-19 relief funding and aid packages; and, be it

FURTHER RESOLVED, That if the HEROES Act does not pass, the San Francisco Board of Supervisors adamantly urge our federal legislators to stand with the critical organizations that are vital in the recovery process and exist solely to provide benefits to the communities they serve, and continue moving packages forward that contain the items outlined above; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco urge federal legislators to include the following amendments to the CARES Act in order to support vital organizations during this time:
• Define nonprofit Social Enterprises as mission-driven organizations that use a
  market-based business model geared to maximize social impact
• Permit nonprofit social enterprises to qualify for the PPP via an expanded site-
  exemption provision
• Expressly provide $75B for nonprofit organizations
• Expand the Universal Charitable Deduction included in the CARES Act
• Urge the Federal Reserve to include nonprofits and social enterprises in its CARES
  Act "Main Street " lending facility; and, be it
  FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
to transmit copies of this Resolution to Speaker Nancy Pelosi, Senator Kamala Harris,
Senator Diane Feinstein, Congresswoman Maxine Waters, Congresswoman Jackie Speier,
Lieutenant Governor Eleni Kounalakis, Governor Gavin Newsom.
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June 09, 2020 Board of Supervisors - ADOPTED
Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200586
I hereby certify that the foregoing Resolution was ADOPTED on 6/9/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board

06/19/2020