

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

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

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

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

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

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

23 WHEREAS, SF Goodwill and YMCA of San Francisco have had to severely curtail their
24 business operations and services to the community in order to comply with the Shelter in
25 Place orders mandated by Bay Area jurisdictions and California Governor Newsom; and

1 WHEREAS, Although both organizations continue to receive funding through some
2 private donations, regional and local financial hardships have made it increasingly difficult to
3 continue to provide communities with critical services in the long term; and

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

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

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

- 12 • Removing the 500 employee cap on the size of nonprofits eligible for PPP loans,
13 including social-welfare organizations, unions, and trade associations
- 14 • Removing a Small Business Administration limit on nonpayroll expenses eligible for
15 loan forgiveness
- 16 • Deferring principal and interest payments on PPP loans for one year, up from six
17 months
- 18 • Extending the covered period for loans from June 30 to December 31
- 19 • Creating a 25 percent "set-aside" for PPP funding for nonprofits. Half of that set-
20 aside would be for nonprofits with 500 or fewer employees and the other half for nonprofits
21 with more than 500 employees
- 22 • Requiring that the Small Business Administration provide reports on loan approvals
23 and disbursements to nonprofits
- 24 • Mandating that nonprofits be eligible for the Main Street Lending Program and that
25 loans may be forgiven for nonprofits ineligible for a PPP loan and predominantly serving

1 low-income communities; and

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

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

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

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

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

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

23 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
24 Francisco urge federal legislators to include the following amendments to the CARES Act in
25 order to support vital organizations during this time:

- 1 • Define nonprofit Social Enterprises as mission-driven organizations that use a
2 market-based business model geared to maximize social impact
- 3 • Permit nonprofit social enterprises to qualify for the PPP via an expanded site-
4 exemption provision
- 5 • Expressly provide \$75B for nonprofit organizations
- 6 • Expand the Universal Charitable Deduction included in the CARES Act
- 7 • Urge the Federal Reserve to include nonprofits and social enterprises in its CARES
8 Act "Main Street " lending facility; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
10 to transmit copies of this Resolution to Speaker Nancy Pelosi, Senator Kamala Harris,
11 Senator Diane Feinstein, Congresswoman Maxine Waters, Congresswoman Jackie Speier,
12 Lieutenant Governor Eleni Kounalakis, Governor Gavin Newsom.

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