Next Up in Congress: COVID-19 Response

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Southern California Grantmakers & Philanthropy California
CARES Act – Paycheck Protection Program (PPP)

• $349 billion fund
  • Zero-fee loans of up to $10 million for nonprofits that retain employees and their salary levels between March through June.
  • Loan would be forgiven (becoming a grant) to cover up to 8 weeks of average payroll and other costs could be converted into a grant if the nonprofit retains its employees and their salary levels.
  • Principal and interest is deferred for up to a year and all borrower fees are waived.

• Status as of Saturday, April 11
  • 725,000 loans, totaling over $182 billion
  • POTUS/Senate Proposal – Additional $250 billion request
  • House Proposal: Dedicate half of the $250 billion requested for community-based financial institutions that serve farmers, families, women, nonprofits, and minority and veteran-owned small businesses.
CARES Act - Emergency Economic Injury Disaster Loan (EIDL)

- $10 billion fund
  - Provides an advance of $10,000 to small businesses and nonprofits that apply for an SBA economic injury disaster loan (EIDL) within three days of applying for the loan.
  - $2 million that carry interest rates of up to 2.75 percent for nonprofits, as well as principal and interest deferment for up to 4 years.
  - If the loan amount is $200,000 or less, the SBA will waive loan guarantee and other creditworthiness requirements.

- Status as of Friday, April 10
  - Average loan approval amounts of $25,000 to $35,000
  - Average loan request of $200,000
  - Demand/Supply Disequilibrium: $372 billion loan request, $10 billion appropriated
## CARES Act – Homelessness Funding

<table>
<thead>
<tr>
<th>Jurisdiction (County)</th>
<th>Community Development Block Grant</th>
<th>Emergency Solutions Grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>$1,276,736</td>
<td>$622,410</td>
<td>$1,899,146</td>
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<tr>
<td>Contra Costa</td>
<td>$2,728,826</td>
<td>$1,390,138</td>
<td>$4,118,964</td>
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<tr>
<td>Marin County</td>
<td>$938,065</td>
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<td>$938,065</td>
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<tr>
<td>Monterey</td>
<td>$816,541</td>
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<td>$816,541</td>
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<tr>
<td>Sacramento</td>
<td>$3,470,768</td>
<td>$1,747,452</td>
<td>$5,218,220</td>
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<td>San Joaquin</td>
<td>$1,624,591</td>
<td>$818,545</td>
<td>$2,443,136</td>
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<td>San Mateo</td>
<td>$1,570,637</td>
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<td>$2,370,168</td>
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<td>Santa Clara</td>
<td>$906,287</td>
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<tr>
<td>Sonoma</td>
<td>$1,109,159</td>
<td>$564,000</td>
<td>$1,673,159</td>
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<td>Stanislaus</td>
<td>$1,358,994</td>
<td>$698,717</td>
<td>$2,057,711</td>
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<td>San Francisco</td>
<td>$10,972,734</td>
<td>$5,501,459</td>
<td>$17,502,676</td>
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<tr>
<td><strong>County Totals</strong></td>
<td><strong>$26,773,338</strong></td>
<td><strong>$12,142,252</strong></td>
<td><strong>$39,944,073</strong></td>
</tr>
</tbody>
</table>
Shortcomings

• CARES Economic Relief Provisions
  • $1,200 (single) or $2,400 (joint) in cash for households making $75,000 or less
  • Additional credit for $500 per child
• Excludes
  • Non-Tax Filers
  • Undocumented immigrants
More Support? H.R. 6408 (Moulton) Save Organizations that Serve (SOS) America Act

Infusion to Sector: Dedicated $60 billion for nonprofits

Mechanism TBD

Increase Charitable Giving? Expands universal charitable deduction

Unclear what amounts will look like

Senate: Lankford Amendment of $4,000 (single); $8,000 (joint)

Existing Cap: Lifts loan amount and 500-person cap in CARES Act

Increases eligibility for PPP
Preparing for Advocacy

All Foundations and Nonprofits
• Get bold - Bolder Advocacy – Alliance for Justice
• Build relationships
• Collect and share stories

Public Foundations and Nonprofits
• Connect with national partners for lobbying
  • United Philanthropy Forum
  • Independent Sector
  • Council on Foundations
  • National Council of Nonprofits

“All politics is local.”
Tip O’Neill
47th Speaker of the House
Questions

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What Will Happen?

**Political Context**
- POTUS/Senate aligned, House wants more
- Pass a deal, punt it over?

**Public Health and Economic Context**
- Physical Distancing and Stay-at-Home Orders
- Peak of Infection?

ACTION!