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**MAYOR LEE'S \$1.2 BILLION NONPROFIT INVESTMENT ENSURES
DELIVERY OF VITAL SERVICES**

Announcement made as \$2.7 million in real estate assistance is awarded to neighborhood-serving nonprofits

San Francisco, CA—Mayor Edwin M. Lee's two-year budget proposal will feature a \$1.2 billion investment in nonprofits, helping to ensure that these organizations continue delivering critical services to San Francisco's most at-risk residents. That investment includes a program to help local nonprofits plan and pay for essential real estate and rental costs, as well an initiative to fund cost of doing business increases.

"Nonprofit organizations work tirelessly to provide culturally competent, neighborhood based services to our most vulnerable residents," said Mayor Lee. "We are proud to work with our nonprofit partners on essential issues such as housing, homelessness, childcare, food security, and immigration rights. In this time of great uncertainty from the federal administration, this budget makes a bold statement that we stand as one in San Francisco around our shared values to ensure the sustainability of our social safety net."

Nonprofit organizations act as the City's partner to carry out essential public health, homelessness, childcare services, workforce development, domestic violence prevention, arts and culture, housing and community development programs, among many others.

"Our nonprofit partners are a critical support for San Francisco families," said September Jarrett, Executive Director of San Francisco Office of Early Care and Education. "We partner with nonprofits of all sizes—from large organizations working citywide, to single-site organizations designed to meet unique neighborhood needs—to help families navigate the often complex process of finding high-quality affordable childcare and early care and education. We deeply value our nonprofit partners that work day in and day out to provide enriching learning environments where our city's youngest children can flourish."

The Mayor's two-year budget will include a Cost of Doing Business (CODB) increase for local nonprofit organizations, which equates to \$39 million or five percent over the two-year budget. This CODB funding is meant to address inflationary cost pressures that nonprofits face and to ensure their financial sustainability.

"The Mayor's budget demonstrates his strong support for the nonprofit health and human services in San Francisco," said Steve Fields, Executive Director of Progress Foundation. "This investment provides support for the staff members of our agencies who struggle with the financial challenges of living in the City they serve. Even more importantly, this funding assures that residents of the City who rely on the safety net will continue to receive critically needed health care, mental health treatment, and social support services."

"We appreciate the Mayor's recognition, through these investments, of the important role our sector plays in providing critical health and human services to San Francisco's most vulnerable residents," said Sherilyn Adams, Executive Director of Larkin Street Youth Services and Co-Chair of the Human Services Network. "It is in partnership with the Mayor and the City that nonprofits can most effectively execute on their missions toward the common goal of addressing some of most challenging social issues that impact all San Franciscans."

This five percent increase over two years came as the result of Nonprofit Working Group, a collaborative effort between local nonprofit organizations and city agencies. The group recommended the City fund a two-year CODB increase, along with other initiatives to improve contracting practices, enhance accountability safeguards, and support the financial sustainability of nonprofits.

Mayor Lee unveiled the nonprofit budget while announcing \$2.7 million in grant awards to support permanent real estate and long term leases for nonprofit organizations in San Francisco. The grants are part of the Nonprofit Sustainability Initiative (NSI), a program designed to help keep nonprofits in San Francisco by enabling them to become owners of their space and incentivizing philanthropic investment in nonprofit space stabilization and real estate.

After a rigorous request for proposal and selection process, \$2.2 million will be used to help purchase permanent locations for Portola Family Connections, San Francisco Conservation Corps, the Community Youth Center of San Francisco, and the Salvation Army - Bayview Impact Center.

The remaining \$500,000 will be used to fund one-time real estate expenses for eight other nonprofit organizations. As a result of the Mayor's investment, these nonprofit organizations will stay in San Francisco, offering up their essential services for local residents.

The awards provide key funding to nonprofit projects that will create 26,000 square feet of new, permanent nonprofit space and 36,000 square feet of leased space for childcare, employment training, legal services, arts classes, counseling and leadership development in low-income and historically under-served communities citywide.

The \$2.7 million announced on Friday was part of this year's budget. The Mayor's proposed two-year budget will include an additional \$6 million toward this important initiative.

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