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March 17, 2020

The Honorable Mayor London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94012

Re: COVID-19 and HealthySF; Employee Lost Wages

Dear Mayor Breed and Supervisors,

This week, Governor Newsom called for 'deep social distancing' with an encouragement for all bars, wineries, and breweries to close due to the COVID-19 pandemic. Yesterday, San Francisco enacted a shelter in place directive until April 7th, affecting approximately 6.7 million people regionally. While these measures are necessary for the safety of our residents, social distancing has decimated revenues for many of our local small businesses.

The COVID-19 public health crisis will severely impact many small businesses for months to come, and potentially putting them and their employees out of work. Businesses do not want to lose their employees or see them suffer, and the City can help bridge the gap by providing direct financial assistance to our hourly workers.

On behalf of the San Francisco Chamber of Commerce and our hundreds of small business members, we strongly urge you to consider allocating unused HealthySF dollars held by the City towards providing restaurant, bar, and retail workers their wages from lost hours during the COVID-19 public health crisis.

The HealthySF fund is paid quarterly by a majority of businesses in San Francisco, with any surplus being collected by the City. Due to the implementation of Obamacare that provides most workers with primary health insurance, most dollars paid into HealthySF or an irrevocable HRA fund remain unused by employees.

We urge the City to reimburse the surplus paid to the HealthySF fund, or an irrevocable HRA fund, back to retail, bars, and restaurant workers impacted negatively by COVID-19 in order to cover their lost wages and provide them with a level of economic security.

Several small businesses have reached out to the Chamber and report that if they were reimbursed the amount paid into HealthySF from last year, they would be able to provide their employees money to cover their cut hours. For example, one local restaurant paid \$15,000 per quarter last year, with a total of \$60,000 in total last year. With a payroll that runs over \$100,000 bi-weekly, a reimbursement of these HealthySF funds could offer significant direct financial assistance to their employees.

Given the growing negative fiscal impact of COVID-19, we encourage the City to allow the loss of payroll funds due to the pandemic to be an eligible or qualifying expense for reimbursement from excepted benefits, an integrated HRA account, or an irrevocable HRA fund administered by a third party. While we understand the original intent of HealthySF funds was to provide

health coverage to employees, many other federal and state programs now have filled that need. The HealthySF dollars that are still being collected and remain unused should help provide employees some economic security during this public health crisis.

This is a difficult time for all San Francisco residents, and we at the Chamber appreciate the Board and the Mayor's quick action around the outbreak. San Francisco is a resilient City, and we can only stay resilient with the continued support and progressive actions of our City.

Sincerely,

Rodney Fong
San Francisco Chamber of Commerce

Joe D'Alessandro
San Francisco Travel Association

Kevin Carroll
Hotel Council of San Francisco

Jose Pecho
San Francisco Filipino American Chamber of Commerce

Carlos Solorzano
The Hispanic Chambers of Commerce

Todd David
San Francisco Housing Action Coalition

Laurie Thomas
Golden Gate Restaurant Association

Gina Grahame
Golden Gate Business Association

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San Francisco Council of District Merchants Associations

Ben Bleiman
San Francisco Bar Owner Alliance and the California Music & Culture Association

Ben Bleiman, Duncan Ley, Drakari Donaldson, Cory Hunt, Mark DeVito, Courtney Fedorchek
Tonic Nightlife Group

Johnny Delaplane
The San Francisco Cannabis Retailers Alliance

Jeffrey Wright
The Pearl + School Night

Gwen Kaplan
Ace Mailing

Manuel Torres
AlphaGraphics San Francisco & Mari

Jake Kuczeruk
Arcview

Cammy Blackstone
AT&T

Isabel Manchester
Chambers Eat + Drink

Anna Weinberg
Big Night Restaurant Group

George Chen
China Live

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Cliff's Happy Healthy Office

David Perry
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Jeff Album
Delta Dental

Erin and Tim Archuleta
ICHI Sushi

Regan Long
Local Brewing Co.

Jack Doty
Newport, LLC

Rhoda Berbey
Only in San Francisco, LLC.
Portco, Inc.
SFO Forecast, Inc.

Dan Swislow
Square, Inc.

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