

# Neighborhood Business District Webinar:

## CARES Act & Connecting Businesses to Resources

Tuesday, April 7, 2020 1:00-2:30 pm

Moderator: Theresa Barreras, Office of Economic Development





# Housekeeping items

- Today's webinar is being recorded and is scheduled to last 90 minutes, including Q & A
- Please stay on mute for the presentation.
- Questions can be submitted at any time in the chat box.
- Slides and a recording of this presentation will be posted on [bottomline.seattle.gov](https://bottomline.seattle.gov) and sent to our email list.

# Agenda



CARES Act  
Overview



SBA Training



Community  
Liaisons



Connecting  
businesses  
to resources

# THANK YOU!

- You are essential in supporting small businesses through this crisis.
- Our small business community has been devastated by the effects of COVID-19. Every business has been impacted in some way.
- There is an incredible need to provide businesses up to date information on available resources.
- Our job is to help these businesses understand the resources that are available to them.



# Our Goals for Today

- Understand roles
- Understand the resources
- Understand the technology and process



## CARES Act Becomes Law



- **One-time cash payment** based on either 2018 or 2019 tax filings
- **Adds \$600 per week unemployment** payment on top of whatever base amount a worker receives from the state. That boosted payment will last **for four months**.
- **Adds 13 weeks of unemployment insurance**. People nearing the maximum number of weeks allowed by their state would get an extension. New filers would also be allowed to collect the benefits for the longer period.
- **Gig workers and freelancers**: This bill creates a new, **temporary Pandemic Unemployment Assistance** program through the end of this year to help people who lose work as a direct result of the public health emergency.
- Tax returns: The **filing deadline for 2019** has been extended to **July 15**.
- Student loans: **Employers can provide up to \$5,250 in tax-free student loan repayment benefits**.
- Insurance coverage: The bill requires **all private insurance plans to cover COVID-19 treatments** and vaccine and makes all coronavirus tests free.



**CARES Act**  
Becomes Law



# Major takeaways for small businesses

1. Creates the Payment Protection Program
2. Expands the Economic Injury Disaster (EIDL) Loans program to include EIDL Grants
3. Creates the Small Business Debt Relief Program



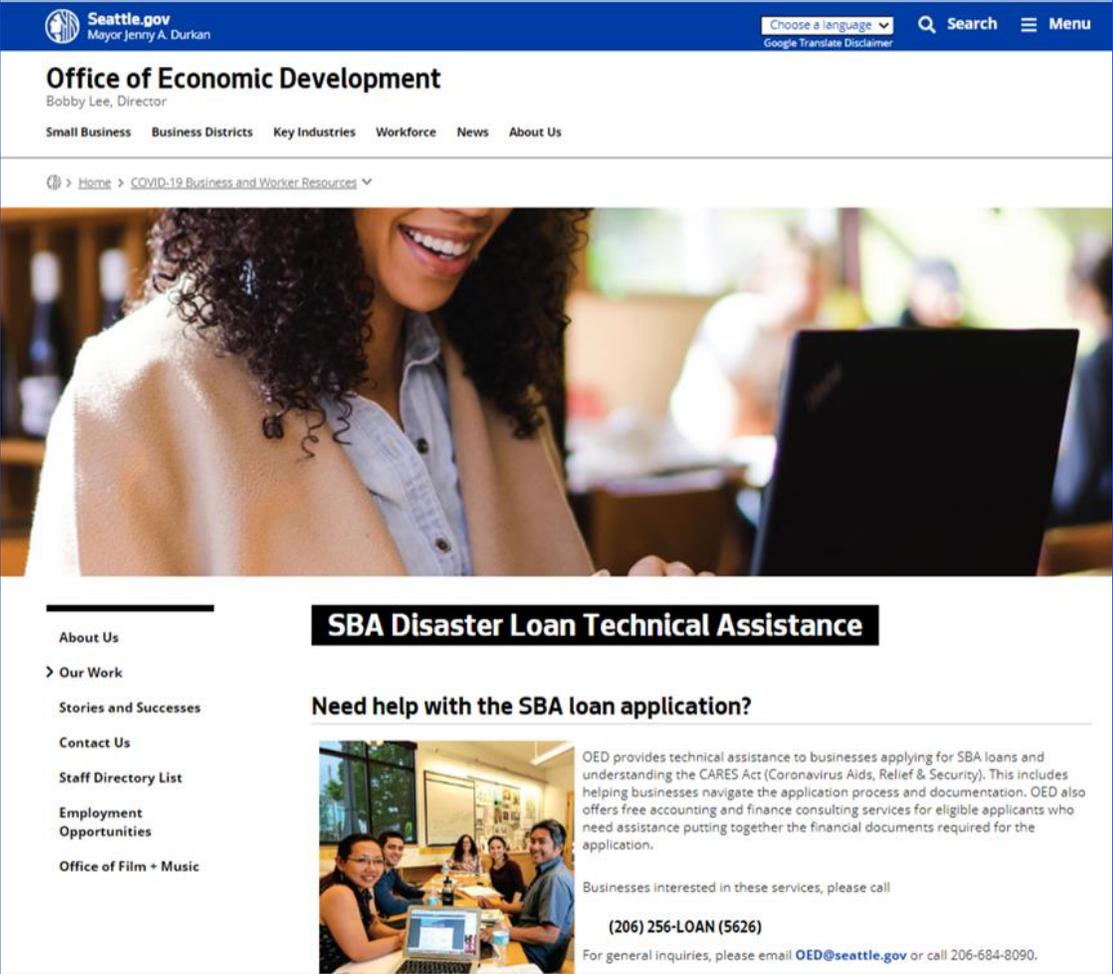
# SBA Resources 101

Presenter: AJ Cari, Office of Economic Development



# OED Objectives

- Provide businesses with SBA Technical Assistance and answer questions on SBA COVID-19 resources.
- Train staff and partners to understand these resources and provide technical assistance directly to small businesses and non-profit organizations.



The screenshot shows the Seattle.gov website for the Office of Economic Development. The page is titled "SBA Disaster Loan Technical Assistance" and includes a navigation menu with links for "About Us", "Our Work", "Stories and Successes", "Contact Us", "Staff Directory List", "Employment Opportunities", and "Office of Film + Music". The main content area features a large image of a smiling woman with curly hair looking at a laptop. Below the image, there is a section titled "Need help with the SBA loan application?" which provides information about the technical assistance services offered, including help with the application process and documentation. The page also includes contact information for businesses interested in these services, such as the phone number (206) 256-LOAN (5626) and the email address OED@seattle.gov.

Seattle.gov  
Mayor Jenny A. Durkan

Choose a language  
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Menu

Office of Economic Development  
Bobby Lee, Director

Small Business Business Districts Key Industries Workforce News About Us

Home > COVID-19 Business and Worker Resources

About Us  
> Our Work  
Stories and Successes  
Contact Us  
Staff Directory List  
Employment Opportunities  
Office of Film + Music

**SBA Disaster Loan Technical Assistance**

**Need help with the SBA loan application?**

OED provides technical assistance to businesses applying for SBA loans and understanding the CARES Act (Coronavirus Aids, Relief & Security). This includes helping businesses navigate the application process and documentation. OED also offers free accounting and finance consulting services for eligible applicants who need assistance putting together the financial documents required for the application.

Businesses interested in these services, please call

**(206) 256-LOAN (5626)**

For general inquiries, please email [OED@seattle.gov](mailto:OED@seattle.gov) or call 206-684-8090.

# Partner Role

- Provide general guidance on the SBA resources
- Help business connect to OED and/or SJI
- Fill out intake form

# OED Role

- Provide assistance in navigating the application processes
- Provide understanding of any required documents
- Track interactions

We are not SBA loan underwriters, these are SBA products, not City products.



# SBA Resources for Small Businesses



Economic Injury Disaster Loan (EIDL) & Loan Advance



SBA Express Bridge Loans



Paycheck Protection Program (PPP)



SBA Debt Relief

OED is providing technical assistance on these resources

# Economic Injury and Disaster Loan (EIDL): Basics



- Working Capital Loan for small businesses impacted by COVID-19
- Loan amount up to \$2M
- \$10K advance of the loan, does not have to be repaid, can be direct deposited in 3 days. All applicants receive this, regardless of outcome of loan application.
- Interest rate 3.75% for small business, 2.75% for non-profit
- Loan term up to 30 years
- Collateral is not required but for loans >\$25K it must be reported if available.

# EIDL: Application



- Apply direct from SBA here <https://covid19relief.sba.gov/>
- No cost to apply
- 3-4 weeks from submitting application to disbursement of funds
- Deadline to apply is Dec 16, 2020

# EIDL: Eligibility



- Available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations
- Based on the size (must be a small business) and type of business and its financial resources. You can check this here <https://www.sba.gov/size-standards/>

# EIDL: Not Eligible

- Agricultural Enterprises
- Religious Organizations
- Charitable Organizations
- Gambling Casinos & Racetracks



# EIDL: Criteria for Approval



- Credit History - Applicants must have a credit history acceptable to SBA.
- Repayment – SBA must determine that the applicant business has the ability to repay the SBA loan.
- Eligibility - The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.

# EIDL: Use of Loan Funds



- Loan amount determined by monthly cash flow loss over 6 months
- Loan may be used to pay for working capital needs including fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred.
- The loans are not intended to replace lost sales or profits or for expansion.
- Business can ask for increased loan amount approaching 6 months.

# EIDL: Key Info in Application



- Only online application is available
- Employer ID Number or Social Security Number is needed
- Gross revenue for 12 months prior to Jan 31, 2020
- Cost of goods sold for 12 months prior to Jan 31, 2020
- Primary business
- Primary business address (cannot be PO box)
- Check the box for \$10K advance and provide bank info

# EIDL: Once You Have Applied



- You'll receive email confirmation upon submission
- You'll receive \$10K direct deposit within 3 days.
- SBA underwriter will contact you to process your loan

# SBA Express Bridge Loans



- This can be available quicker than the EIDL
- It is available through an SBA Express Lender that you have a banking relationship with.
- Up to \$25,000
- Faster turnaround than SBA underwriting, depends on bank
- Repaid by proceeds from the EIDL loan

# Paycheck Protection Program (PPP)



- Forgivable loan to small businesses to pay employees during the COVID19 crisis
- Loan amount up to 2 months of average monthly payroll costs, plus an additional 25% of that amount, up to \$10M
- Payroll costs include salary, wage, commission and tips capped at \$100k annual, benefits, state/local taxes

# PPP: Loan is Forgiven If



- Proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made; and
- Employee and compensation levels are maintained (you have until June 30, 2020 to rehire at original levels)
- Not more than 25% of the forgiven amount may be for non-payroll costs.

# PPP: Application



- Need average monthly payroll and number of jobs
- Apply with local SBA lenders
- Application here  
<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- Deadline is June 30, 2020
- Still not clear how this interacts with the other SBA products

# SBA Debt Relief

If a business has an existing business loan through SBA, The SBA Debt Relief program provides a reprieve to small businesses as they overcome the challenges created by this health crisis.

The SBA will also pay the principal and interest of:

- New 7(a) loans issued prior to September 27, 2020
- Current 7(a) loans for a period of six months



**Thank You!**

**Questions?**



# Business Outreach & Support

Presenters: Heidi Hall, Office of Economic Development

Phillip Sit, Office of Economic Development



# Community Liaisons

- Independent outreach
- Connect businesses directly to resources
- Language supported hand-off to Business Districts, OED's resource center, SJI
- Support outreach in equity districts – **Call OED if you want to work with a CL**

Liaison	Language
Larry Wilmore	African American
Abdu Gobeni	Amharic, Oromo
Dereje Zewdie	Amharic, Oromo
Lillian Young	Cantonese, Mandarin
Elise Tse	Cantonese, Mandarin
Abdullahi Jama	Somali
Iris Avendano	Spanish
Asmeret Habte	Tigrinya
Trang Hoang	Vietnamese
LeVinh Tran	Vietnamese

# Supporting Business Owners

**Background:** Many business owners will need additional assistance/support in order to access information and resources.

Business Districts are working remotely but are still providing valuable communication and outreach to their communities.

The next step is to ensure that the districts with varying levels of capacity can **engage and capture** as much information as possible to streamline what resources the City may be able to offer to them.



# Influx of information to Business Owners

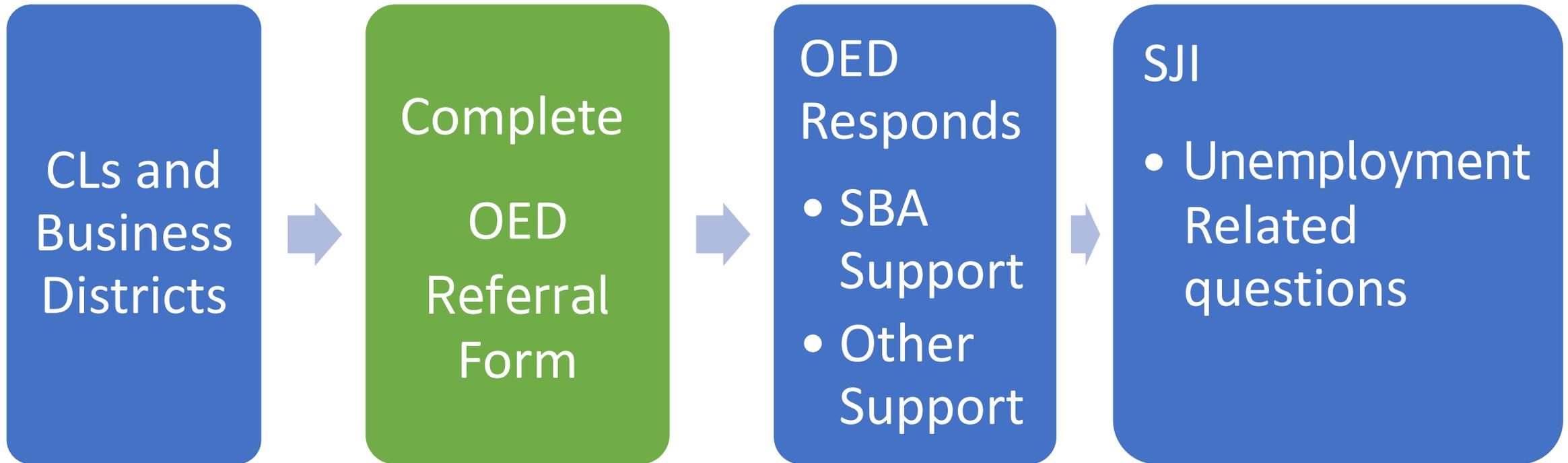
**Goal:** Create a clear referral process for business districts/CLs to route business owners to the correct staff lead from OED or community partners.

- Who requested assistance (Business owner, family member, or a community proxy)
- Identify the resource/issue that the business owner is seeking
- Identify language and technology needs in advance

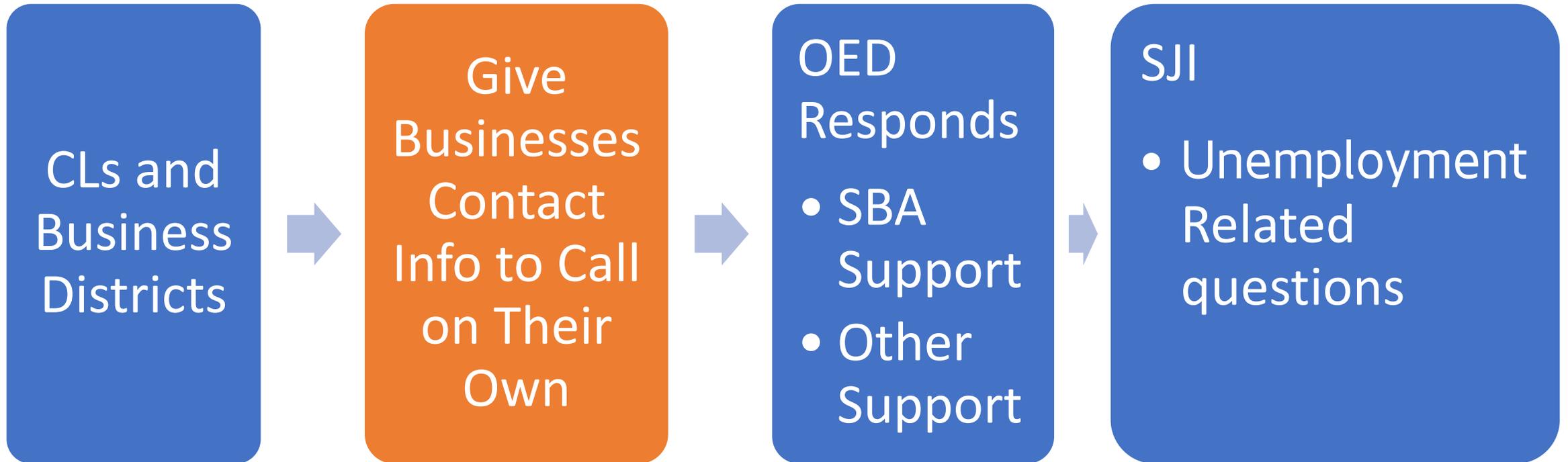
As OED deals with heavy volume of inquiries, business districts can work in partnership to assess the needs from business owners – streamlining the process and closing the information gap for our response team members.



# Direct Business Referral Process



# Indirect Business Referral Process



# Intake Process - Form

## **Business Name\***

Please enter the name of the business as it appears on their City of Seattle business license.

## **City of Seattle Business License Number**

To find your City of Seattle Business license number go to <https://www.seattle.gov/license-and-tax-administration/find-a-licensed-business>

## **Please enter the primary business location\***

begin typing the address and select from the options displayed, to locate your primary place of business.

## **What type of assistance is the business owner seeking?**

Please select from the dropdown menu or use the additional background field form

- SBA Economic Injury Disaster Loans (EIDL)
- SBA Economic Injury Disaster Loan application assistance
- Paycheck Protection Program loan application
- Information and/or assistance applying for unemployment benefits
- Information or support accessing other SBA services (Express Bridge Loans, deferment of existing loans)
- Other (Field Form)

# Intake Process - Form

Contact Information: Please identify Primary Contact

	Business Owner (Required)	<input type="text"/> Phone Number	<input type="text"/> Email Address
	Primary Contact (Optional)	<input type="text"/> Phone Number	<input type="text"/> Email Address

Requesting language access assistance

(Drop Down Menu)

Business District Partner

<input type="text"/>  <b>Name</b>	<input type="text"/>  <b>Organizations (Drop Down/Auto Fill)</b>
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What is the race of the business owner? \*

Mark one or more boxes below

# Intake Process Options



ENTER EVERY HIGH-  
NEED BUSINESS INTO  
FORM

OR



SEND US A SPREADSHEET  
WITH BUSINESS  
REFERRALS FLAGGED

# Contact us -- We are here to help!



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