



Fresno Small Businesses: COVID-19 Damage Assessment and Funding Impact

*Analysis of Data Captured in Rounds 1 and 2 of the Save Our Small
Businesses Grant Program*

Prepared for:

Lupe Perez, Director, Mayor's Office of Economic Development

Sub-Committee Members:

Council President Miquel Arias

Council Member Esmeralda Soria

Council Member Mike Karbassi

DRAFT REPORT PREPARATORY TO ROUND 3 OF FUNDING

Prepared by: Clair Whitmer, FUSE Corps Fellow 2019-2020 Cohort **Submitted:** August 24, 2020

Save Our Small Businesses Program Summary

The City of Fresno imposed a shelter-in-place emergency ordinance effective 12:01 a.m. Thursday, March 19th. That day, the city's residents joined at least eight million other Californians ordered to stay at home and go outside only for food, medicine, outdoor exercise, and other essential needs.

One week later on March 25, 2020, the Fresno City Council approved the Save Our Small Businesses (SOSB) Program to provide emergency relief funds to small businesses that operate in the City of Fresno and whose business viability has been negatively impacted by the COVID-19 public health emergency:

- required Shelter in Place closures
- voluntary closures to promote social distancing measures
- decreased customer demand and other changes in consumer behavior
- interruptions in supply chain

Initially proposed by Council Member Mike Karbassi, round 1 allocated **\$750,000** out of the city's General Fund to provide forgivable, 0% interest loans to businesses with 25 or fewer employees. Shortly thereafter, the City Council revised the program to convert the loans to grants. As of August 2020, the City Council has approved two additional rounds of the program, committing an additional **\$4,000,000** of CARES Act grant funding. By Thanksgiving, the program will have directly contributed **\$4,750,000** to the city's economy and helped to preserve both jobs and the future viability of our small businesses.

While the eligibility requirements and administrative responsibility for the program have been modified with each round, the purpose of the SOSB funding has not changed from its initial approval, that is, to cover expenses for the following:

- payroll and benefit costs
- unemployment insurance costs incurred by the recipient as an employer if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise
- rent or mortgage payments to avoid eviction or foreclosure
- utility fees (except for utilities services provided by the City of Fresno e.g. water and garbage)
- property capital improvements related to social distancing or other public health requirements

Now, with round 3 about to launch five months after the program's initial approval, the complete reopening of the economy is still in the unknown future. While initially perceived as a kind of bridge funding to cover an anticipated two months of closure, the City is now asking small businesses to also consider more fundamental adaptations to a consumer economy altered for the long-term by the COVID-19 crisis. The round 3 guidelines encourage businesses to also reflect on and invest in:

operational, equipment or property modifications to adapt to longer-term changes in customer behavior (e.g. shifts to online ordering and home delivery) and unstable economic conditions (interruptions to supply chains and the potential for future closures, general recession conditions)

Evolving Elements of the Program

1) Amount of Grant

The SOSB program disburses two sizes of grants:

- \$5,000 for businesses with 1-5 employees
- \$10,000 for businesses with 6-25 employees

The initial guidelines guaranteed that at least 20% of the funds would go to “microbusinesses” with fewer than 6 employees, but the necessity for this guarantee has diminished over time as, in fact, the participation from microbusinesses has been much higher than initially anticipated, a fact that implies that our small businesses are contributing to our community’s quality of life but creating fewer jobs than we would wish. *See details in Impact.*

2) Needs & Sector Targeting

In round 1, the total fund allocation was divided evenly across each of the seven City Council districts. The resulting list of recipients demonstrated that -- as with the much critiqued federal relief programs such as PPP -- the businesses most prepared to react quickly and apply for the program operate in the wealthier, northern neighborhoods of the city. Likewise, the list of recipients included many businesses that could readily adapt to teleworking conditions imposed by the Shelter in Place orders, such as accountants, lawyers, and therapists.

While these businesses are clearly valued and necessary contributors to the Fresno business economy, the Mayor’s Office of Economic Development subsequently proposed guidelines for round 2 designed to target the allocations to reach both more vulnerable sectors (e.g. personal grooming services) and economically distressed neighborhoods, principally located south of Shaw Ave.

Specifically, the methodology proposed was to divide the \$2,000,000 into two “buckets”:

- \$1,050,000 distributed in even allocations of \$150,000 for each district
- \$950,000 to be distributed only to recipients whose business operate in low-income areas (boundary areas defined as Opportunity Zones or areas eligible for Community Development Block Grants)

Every applicant was entered first into a random selection based on District; those applicants not selected and whose operating address also met the low-income area condition got a ‘second chance’ through a second, city-wide random selection.

Likewise, round 2 of the program imposed a 25% loss of income eligibility condition. This was met by asking the recipients to execute a form declaring, under penalty of perjury, their net income for the months of February and April 2020. This condition was later reduced to 10% because the team realized that it did not accurately reflect seasonal cash flow associated with many business sectors.

The team invested much more heavily in language support for round 2. All outreach emails, documentation and voicemail messages were translated into Spanish as well as an explanatory video for recipients required to upload qualification documents. The application itself was available in 4 languages (English, Spanish, Hmong and Punjabi) but only **26** applicants submitted native-language applications, all

in Spanish. The outreach team identified **5** additional recipients who required interpretation to successfully complete the qualification phase, again all Spanish-speakers.

This number is a very small subset of total participation but these business owners would have been truly excluded from this program without interpretation services; the owners at one business didn't understand several voicemails left for them but then realized they were selected to receive the grant when their eight-year-old child happened to answer the phone. While the current team has two Spanish speakers, unfortunately we do not have access to, or funding for, technical support in Hmong or Punjabi.

3) Program Administration

Access Plus Capital was designated as the primary program administrator with responsibility for outreach, application data gathering, document qualification and funds distribution for round 1.

While round 1 of the program was executed fairly from the point of view of the applicant, the data exchange required to vet the applications against internal data records (e.g. business tax and tax liens) was cumbersome. The City is still waiting for a final data report of round 1 from Access Plus Capital. In the meantime, City staff has compiled a preliminary data report from the information provided thus far by Access Plus Capital. This preliminary information indicated that out of **2,634** applications reported by Access Plus Capital, staff received complete records for only **1,533** applicants plus incomplete records for an additional **169** applicants. (This list included names and emails only for participants who submitted applications via FAX and were subsequently disqualified.)

For this reason, Staff recommended moving the program in-house for round 2 and collaborated with the Information Services Department (ISD) to launch an application for gathering and processing application data as well as managing the random selection process. While we did achieve much higher rates of data integrity, the burden of outreach and technical assistance was very high for the team, especially without access to the public due to the continued closure of City Hall.

ISD provided a solution for secure document transmission (ShareVault) for the document qualification phase of the program, but the platform demanded technical skills beyond many of the program participants. One of the significant learnings of the program is how many business owners are operating without consistent access to computers or a solid base of office computing skills. While the initial application could be easily completed on a smartphone, this digital divide was very evident during the qualification phase of the program.

Ultimately, the team organized a "curbside" service operating out of a local community center to allow those recipients who simply couldn't successfully upload their documents to drop off paper forms. The team processed documents for approximately 100 recipients in this way.

For round 3, the team's recommendations represent a compromise between both methodologies. City Council will execute a contract with the Fresno Area Hispanic Foundation to handle outreach and funds distribution while city staff will continue to vet the individual applications internally against city records as well as manage the random selection process.

4) Other Eligibility Requirements

Each round has required businesses to be physically located in the City of Fresno and have a valid Business Tax Certificate proving legal operations in the City of Fresno. Both rounds also required

businesses to have been operating for at least a year prior to the statewide State of Emergency order on March 4.

Round 2 imposed additional exclusions on the basis of sector (e.g. healthcare operations, transportation, lawyers, hotels/motels and financial service providers were all excluded), and excluded businesses that had previously accepted funding from round 1, PPP funding or CARES Act relief funding disbursed through a comparable program administered by the County of Fresno. Ultimately **34%** of the original list of selected businesses was eliminated due to this requirement and had to be replaced in an unofficial “round 2.5”.

While the city wants to target businesses that have yet to receive any relief funding, we heard many businesses report having been disqualified from SOSB funding because of only very nominal PPP loans, some as small as \$1,500. In other cases, businesses that did receive large amounts of PPP funds are returning the funds because they are having difficulty rehiring employees. While this is anecdotal, we propose to drop the PPP exclusion for this reason.

For round 3, staff also recommends that we relax the length of operations rule so that the City can support legitimate startups and preserve their economic activity in the city.

Lastly, round 2 excluded businesses with outstanding code violations; four (**4**) businesses were disqualified on this basis. We are now referring to this as the Good Neighbor requirement and propose to continue vetting round 3 applicants against Code Enforcement records.

Purpose of Report

Drawing from data compiled during the first two rounds of the program, this report will attempt to answer three questions about the the SOSB program to date:

- 1) **Outreach** - Has the program been successful in soliciting broad participation from the small business community in terms of overall numbers?
- 2) **Targeting** - Has the program been successful in reaching Fresno’s underserved and economically vulnerable neighborhoods?
- 3) **Impact** - Has the program met the demand for emergency relief required by the Fresno small business economy?

The report will draw from these conclusions to make recommendations for round 3 of the program.

This report will also make recommendations on how to continue to help the small business sector recover from the 2020 crisis and adapt to fundamentally changed business conditions moving forward.

Note on Data Analysis Methodology

This analysis is based on data from **2301** separate businesses; the data profile is not complete for each business and some of the data points changed from round 1 to round 2. Individual charts and tables will each indicate the size of the data set and the source of both round 1 and round 2.

For the calculation of total demand, staff included partial applications from businesses that are missing the number of employees in our data set; staff assumed that each business had 5 or fewer employees and therefore represented a funding demand of \$5,000. The total demand may actually have been higher.

Outreach

Based on the available data, we can consider three questions in evaluating the efficacy of our outreach program:

- How many businesses participated?
- Where do participants operate their businesses?
- Did our outreach campaign achieve equitable outcomes?

Our outreach team included the Economic Development Department and Council staff.

First, we need to compare the number of applicants to the known number of businesses in the area. According to an August report from the Business Tax department, the City of Fresno can count **1,718** businesses with 25 or fewer employees that obtained a City of Fresno Business Tax Certificate (BTC). (Business Tax does not update the number of employees at renewal; this data point is recorded only when the original BTC is approved.) This number does not include businesses with expired tax certificates or those operating without a tax certificate and so does not measure the total economic output of this category. It does measure the category's capacity to produce sales tax. A valid Business Tax Certificate (BTC) is a SOSB eligibility requirement.

Over the course of two rounds, the SOSB captured data from **2,301** separate businesses although not all of these met the BTC requirement. We can say that our messaging was heard and responded to by a significant overall percentage of the small business owner population. This may have contributed to a slower subscription for round 2 of the program even though more funds were available.

	Round 1	Round 2	Combined
Applicants	1702	982	2685
Duplicates	n/a	n/a	28
TOTAL PARTICIPATION	n/a	n/a	2657
Applied for Both Rounds	n/a	n/a	356
TOTAL Unique Businesses	n/a	n/a	2301
Lost in Both Rounds	n/a	n/a	235
Won on Second Try	n/a	n/a	121

We do know from the high volume of calls and emails to our general phone number as well as 311 operators that our outreach efforts also faced competition with the County of Fresno Helping Underserved Businesses (HUB) Grant Program, which ran concurrently. Ultimately, of the approximately 1,000 recipients funded by the county, **640** were eligible for SOSB funding.

In addition to sheer volume, we need to examine if participation was representative of a cross-section of the city's neighborhoods. Comparing participation by City Council District, the overall percentage of participation remained relatively consistent across the two rounds; Districts 5 and 7 showed the biggest increases in round 2 while Districts 2 and 6 had the biggest decreases.

While this speaks well of the round 2 outreach, staff focused outreach efforts on Districts 5 and 1 -- including both phone outreach and door-to-door flyer distribution -- it is clear that there is still more work

to be done to reach business owners in District 5, which has a high proportion of Hmong and Latino-owned businesses.

Number of Applicants Per District

	Round 1 (In Lottery)	% of Total	Round 2 (Total Applicants)	% of Total
District 0*	Data not available	Data not available	41	4.2%
District 1	110	10.3%	112	11.4%
District 2	235	22.0%	159	16.2%
District 3	166	15.5%	176	17.9%
District 4	194	18.2%	162	16.5%
District 5	52	4.9%	73	7.4%
District 6	200	18.7%	125	12.7%
District 7	111	10.4%	134	13.6%
TOTALS	1068	100.0%	982	100.0%

*Applicants from businesses outside City of Fresno limits or in county islands within the sphere of influence.

Participants by Zip Code - Top 10 Zip Codes

Zip Code	Round 1		Round 2		Grand Total	
	No. of Applicants	% of Total	No. of Applicants	% of Total	No. of Applicants	% of Total
93711	205	8.2%	97	3.9%	302	12.1%
93710	167	6.7%	110	4.4%	277	11.1%
93720	183	7.3%	76	3.0%	259	10.3%
93722	132	5.3%	103	4.1%	235	9.4%
93727	138	5.5%	94	3.8%	232	9.3%
93721	100	4.0%	92	3.7%	192	7.7%
93726	83	3.3%	78	3.1%	161	6.4%
93703	74	3.0%	44	1.8%	118	4.7%
93704	71	2.8%	40	1.6%	111	4.4%
93702	47	1.9%	62	2.5%	109	4.4%
TOTALS	1200	60.1%	796	39.9%	1996	100.0%

See the map of Zip Codes to Council Districts in the **Appendix**.

Likewise, when examining the top ten zip codes for participation, the same zip codes produced the most applications for each round. We observe, however, that while these 10 produced **60.1%** of all participation in round 1, this percentage dropped to **39.9%** of all participation in round 2. Participation from more zip

codes indicates greater geographic diversity overall in round 2 of the program. *Find the complete Participant by Zip Code table in the **Appendix**.*

Another factor to consider in terms of inclusion is race. Our data set was gathered from participants in round 1 only; staff is looking to fill the demographic data hole in round 3. We do not have our own comparative data set of business ownership by race in Fresno. Therefore, we cannot truly know if our outreach is driving equitable outcomes.

By comparing our business ownership data to that presented by [Race Counts](#), we can conjecture that we have been relatively successful in reaching the Hispanic or Latino business owner community, less so in reaching black and Asian business owners. We hypothesize that language issues, lack of trust of government, irregular compliance with regulations, or a need for technical support are all contributing factors. Nonetheless, the team needs better data to understand the barriers that exist between our communications strategies -- based principally on press coverage -- and engagement with these communities. *(The Race Counts chart indicates the number of business owners per 1,000 residents of that race.)*

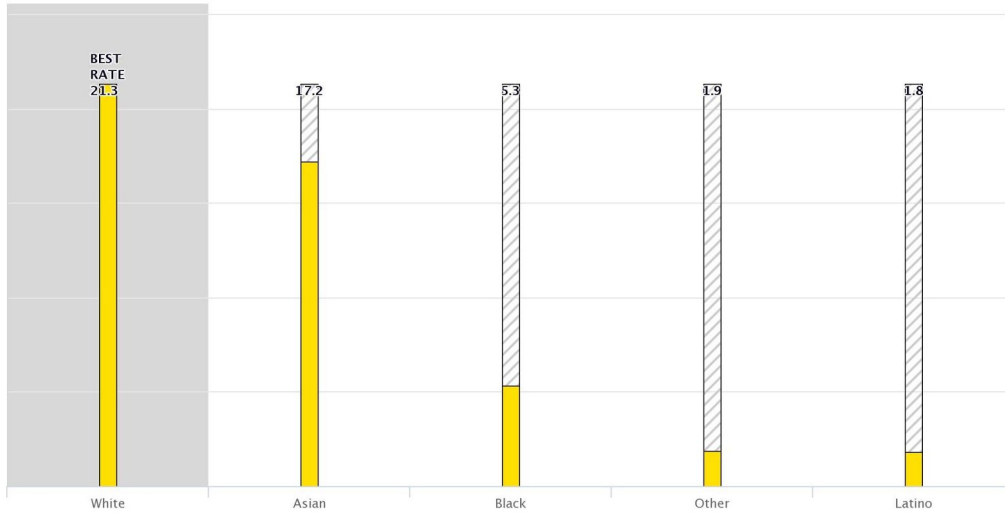
Participants by Race - Round 1 Data

Race of Owner	No. of Applicants	% of Total	% General Population*
American Indian or Alaska Native	9	0.6%	1.2%
Asian	313	20.7%	13.7%
Black or African American	56	3.7%	7.6%
Hispanic or Latino	416	27.5%	49.4%
Native Hawaiian or Pacific Islander	4	0.3%	0.1%
Other	140	9.3%	4.2%
White Only	573	37.9%	27.1%
TOTAL	1511	100.0%	103.3%

*Source: U.S. Census Quick Facts 2019.

ECONOMIC OPPORTUNITY Fresno

© Advancement Project California: RACE COUNTS, racecounts.org, 2020
<https://www.racecounts.org/city/fresno/> (accessed August 21, 2020)
Data Source: U.S. Census Survey of Business Owners (2012)
Our Partners: California Calls, USC Dornsife, PICO California



Targeting

We can consider two questions in evaluating the efficacy of our outreach program:

- Did our random selection methodology succeed in “leveling the playing field” for participants on the basis of income level?
- Did our guidelines result in a business type profile of recipients that corresponded to the Council’s expectations?

Round 1 distributed all funds equally by Council District in a random selection. Round 2 used the same methodology for half the funds but implemented a second, city-wide random selection for the other half.

The criteria for eligibility for the second selection of round 2 was an operating business address in an Opportunity Zone or Community Development Block Grant designated project area. Each of these designations has its own methodology that identifies low-to-moderate income neighborhoods. Businesses not selected on the first try that met this OZ/CDBG designation had a second opportunity to be selected. In this way, the second round of funding was designed to “level the playing field” by targeting 50% of the available funding to economically distressed areas of our city.

In the following table, the key relationship to examine is between Number of Applicants and Number of Recipients. If our City-Wide methodology is working, then a significant number of applicants from OZ and CDBG areas can be expected to correlate to a higher number of total recipients. I’ve highlighted Districts 3 (the downtown core and focus of our Downtown Revitalization strategy), 5 (an economically disadvantaged area of the city), and 6 (a high-income and dense retail area of the city).

Districts 3 and 4 had the highest levels of participation and the most recipients; as the selection is random, it is to be expected that more entries will result in more selections. But there is another factor at work. While Districts 5 and 6 had very disparate levels of participation, they had roughly the same number of recipients. The following chart points to the explanation as the high percentage of OZ/CDBG applicants in District 5; Districts 2 and 7 evidence the same pattern.

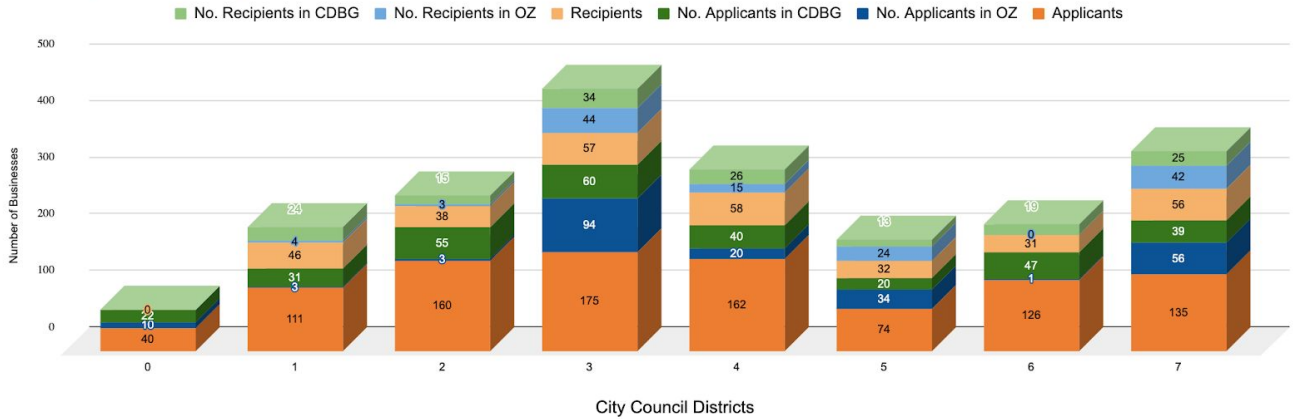
Participation from OZ/CDBG Areas - Round 2 Data

Districts	Applicants	Recipients	No. Applicants in OZ	No. Applicants in CDBG	% OZ/CDBG of Total Applicants	No. Recipients in OZ	No. Recipients in CDBG
0*	41	0	10	22	80.0%	n/a	n/a
1	112	46	3	31	30.6%	4	24
2	159	38	3	55	36.3%	3	15
3	176	57	94	60	88.0%	44	34
4	162	58	20	40	37.0%	15	26
5	73	32	34	20	73.0%	24	13
6	125	31	1	47	38.1%	0	19
7	134	56	56	39	70.4%	42	25
TOTALS	982	318	221	314	54.4%	132	156

*Applicants from businesses outside City of Fresno limits or in county islands within the sphere of influence.

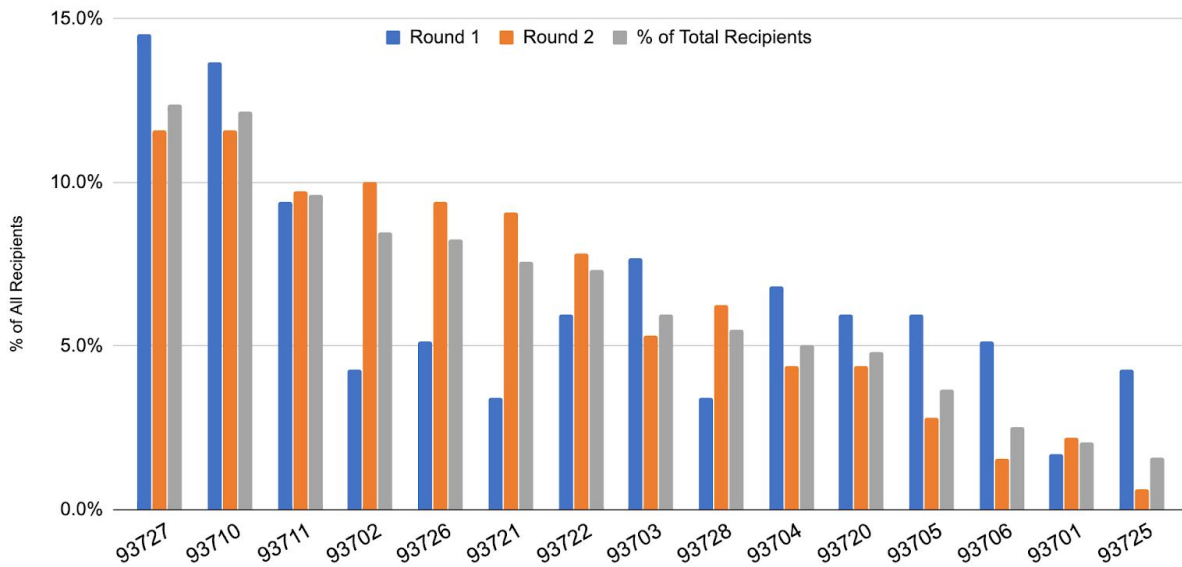
The following chart compares Total Outcome (light orange slice) to Total Participation slice (dark orange slice). In District 5, Total Recipients are comparable to Districts 2 and 6 despite much lower levels of participation. This correlation is weaker but still observable in Districts 4 and 7. I hypothesize that a percentage of 70% or higher of OZ/CDBG participation is the “trigger point” for this correlation.

Participation in City-Wide Selection



Another way to examine this question is by Zip Code.

Recipients by Zip Code



In the following table, we can see that three zip codes appeared in the list of top five in both rounds:

- 93727
- 93710
- 93711

But we can see that four zip codes changed from round 1 to round 2:

- 93703
- 93704

These were replaced in the list of top five zip codes in round 2 by:

- 93702
- 93726

We can observe a geographical change from round 1 to round 2. We cannot know whether this is caused by the change in methodology: Did we target the money or did the demand originate in different areas of the city? But we do know that in round 2 a lower percentage of the total outlay went to a zip code with the much lower share of CDBG/OZ addresses: 93720.

Recipients by Zip Code

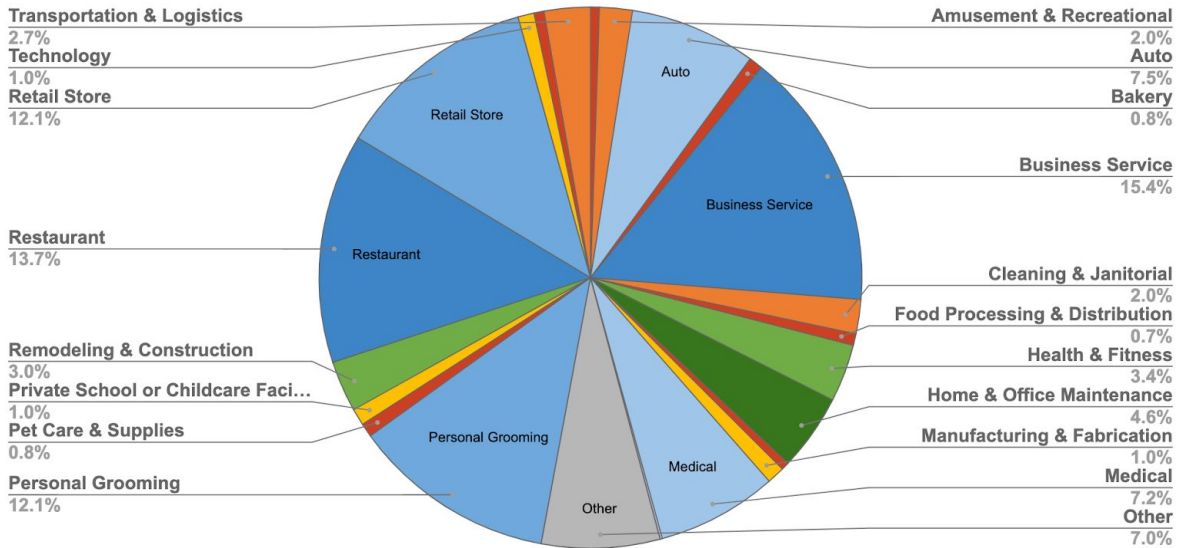
	Round 1		Round 2		Total Recipients			
Zip Code	No. of Recipients	% of Round	Zip Code	No. of Recipients	% of Round	Zip Code	No. of Recipients	% of Total
93727	17	14.5%	93727	37	11.6%	93727	54	12.4%
93710	16	13.7%	93710	37	11.6%	93710	53	12.2%
93711	11	9.4%	93702	32	10.0%	93711	42	9.6%
93703	9	7.7%	93711	31	9.7%	93702	37	8.5%
93704	8	6.8%	93726	30	9.4%	93726	36	8.3%
93722	7	6.0%	93721	29	9.1%	93721	33	7.6%
93720	7	6.0%	93722	25	7.8%	93722	32	7.3%
93705	7	6.0%	93728	20	6.3%	93703	26	6.0%
93726	6	5.1%	93703	17	5.3%	93728	24	5.5%
93706	6	5.1%	93704	14	4.4%	93704	22	5.0%
93702	5	4.3%	93720	14	4.4%	93720	21	4.8%

Lastly, we also must examine whether the pool of participants and recipients reflect the business types designated by Council as the outreach targets, that is, “Mom and Pop” businesses that depend largely on foot traffic.

Our analysis, based on applicants from both rounds, shows that the five largest sectors are Business Services (including accountants and lawyers and others), restaurants (including bars, mobile food and nightclubs and others), retail stores, personal grooming (including barbers and hair stylists, nail salons, and tattoo shops), and auto (including dealerships, auto repairs & supplies, towing services and others).

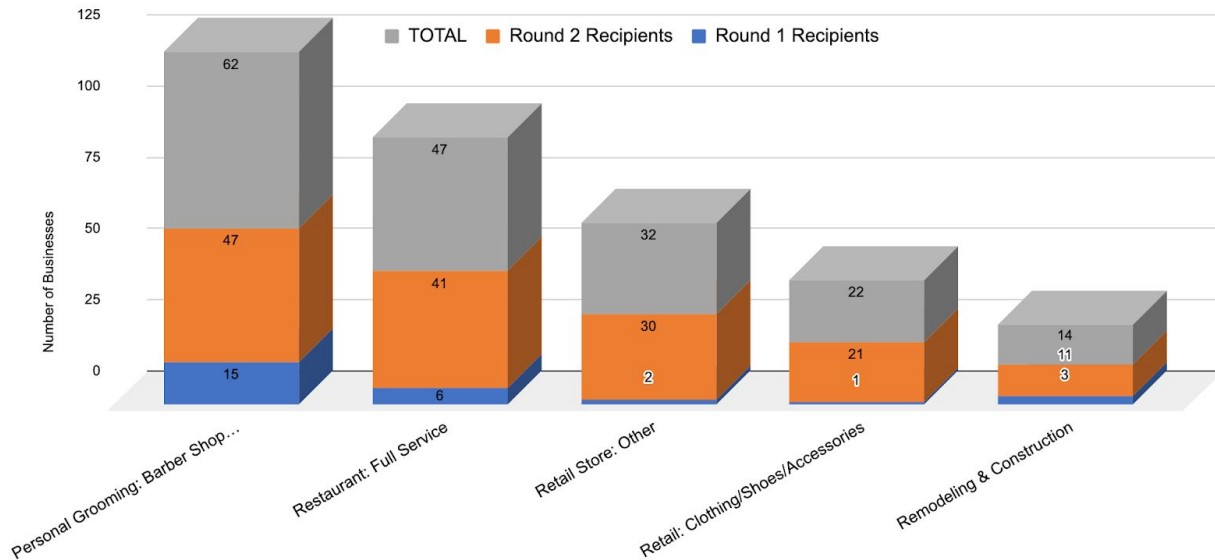
The large number of exclusions in round 2 may have influenced participation -- resulting in a skewed representation of these sectors -- therefore, this profile cannot be used predictively for other programs. Nevertheless, these results, as well as the breakdown of recipients, do neatly match the expectations expressed by the City Council for the SOSB program.

Types of Small Businesses in Fresno



Data set included 2,228 unique businesses. See the Appendix for a count of each business type as well as a breakdown of each category.

Top Five Business Types of SOSB Recipients



Impact

We can consider four questions in evaluating the overall impact of the SOSB program:

- What was the overall demand for emergency relief represented by the program?
- How many jobs have been lost since the beginning of the crisis in the small business sector?
- How do the applicants intend to use the SOSB grant?
- What are the operational costs of these businesses?

We have reported previously to Council on the question of overall demand. The final compilation of data, however, requires a revision of the original figures. The discrepancy is explained simply by the fact that data delivery from Access Plus Capital was received after the initial release of the report to Council. As previously indicated in this report, staff is awaiting the final report from Access Plus Capital. This underscores the importance of the City having ownership of the data when other entities administer these programs on behalf of the City.

More significantly, it increased the delta between the demand and the total allocation of the program to **\$14,110,000**.

	Original Report	Revised Report	Difference
Round 1	\$8,663,059	\$11,640,000	\$2,976,941
Round 2	\$6,280,000	\$6,265,000	-\$15,000
TOTALS	\$14,943,059	\$17,905,000	\$2,961,941

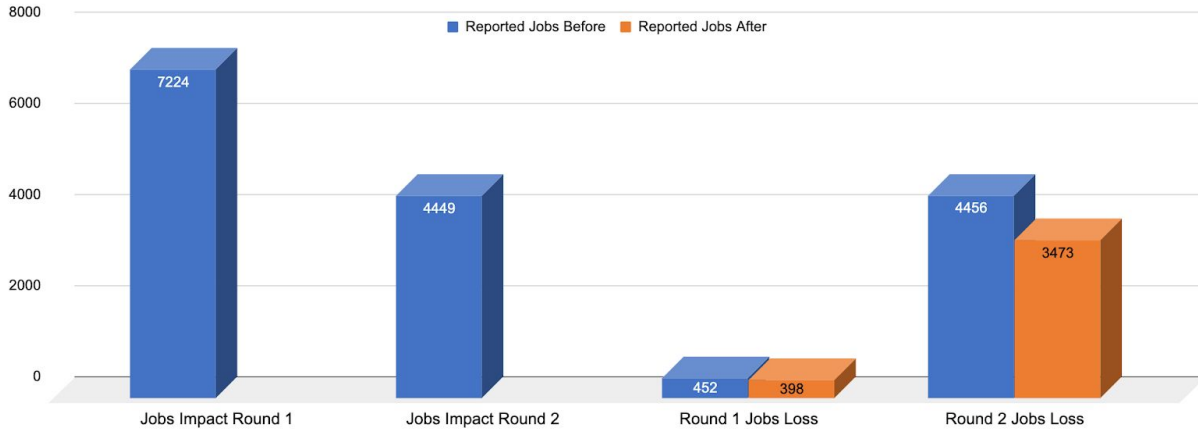
	Grant Demand	% of Total Applicants	Grant Demand	% of Total Applicants	Grand Total
SOSB Round	\$5,000		\$10,000		
Round 1	1076	40.1%	626	23.3%	1702
Round 2	715	26.6%	269	10.0%	984
TOTAL	1791	66.7%	895	33.3%	2686

What cannot be entirely known, however, is the extent to which this demand expresses anxiety over the sudden emergence of the crisis or real hardship? (See comments from individual business owners explaining the reasons for their grant application in **Comments on Intended Use of Funds** in the **Appendix**.)

We do know that the job losses associated with the crisis have accelerated during this period. When the original program was first announced on March 25, many businesses were required to shut their doors or reduce their operations. The reopening calendar was as yet unknown but the common assumption at that time was that we'd be up and running again by the summer. That has clearly not come to pass and so the job losses, reported as modest during the first round of funding, accelerated considerably by round 2.

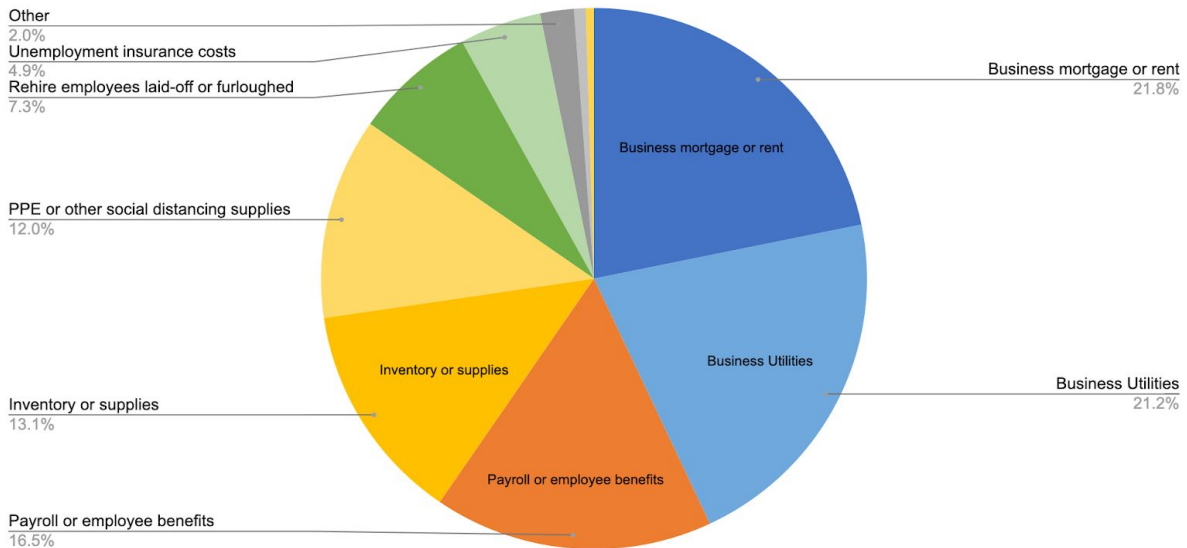
The methodology for collecting this data changed between round 1 and round 2 and only partial data is available for round 1 applicants. This means the total decline in round 1 jobs represented in the following chart may be undercounted but there is no reason to doubt the general pattern of accelerated jobs loss from **11.9%** in late March to **22.1%** in mid-May when the second round was announced.

Jobs Lost to COVID-19 Crisis



Despite the increase of heavy job losses in round 2, the greatest expressed need for the funds was clearly Business Mortgage or Rent followed by Business Utilities. (Note: I manually conflated mentions of phone, PG&E and water into Business Utilities. See the complete **Intended Use of Funds** table in the **Appendix**.)

Most Common Intended Use of Funds



Lastly, the data helps us measure the actual costs reported by these businesses. The range for each category is quite wide but staff calculated median figures to decrease the impact of outliers. The variation in number of employees also makes this only a very high level abstraction of overhead costs.

Nonetheless, it is clear that for the average business, a grant amount of \$5,000 is sufficient to cover less than a month of overhead or three months of mortgage/rent while a \$10,000 grant would cover six weeks of overhead and only six months of mortgage/rent.

Median Costs by Zip Code - Round 2 Data

Zip Code	Mortgage/Rent	Utility Payments	Monthly Payroll	Reported Monthly Overhead
93301	\$2,240	\$3,450	\$1,500	\$7,190
93650	\$1,800	\$375	\$4,500	\$6,600
93662	\$15	\$250	\$65,000	\$65,265
93701	\$1,550	\$825	\$4,365	\$6,925
93702	\$1,100	\$500	\$4,000	\$6,650
93703	\$1,200	\$775	\$3,364	\$5,260
93704	\$1,517	\$472	\$3,750	\$5,605
93705	\$710	\$400	\$2,500	\$5,000
93706	\$1,125	\$500	\$3,000	\$5,264
93710	\$2,540	\$700	\$6,250	\$10,320
93711	\$1,868	\$500	\$5,000	\$7,670
93712	\$3,478	\$512	\$20,000	\$23,990
93714	\$1,300	\$3	\$20,000	\$21,303
93720	\$2,975	\$583	\$7,750	\$10,988
93721	\$1,850	\$700	\$4,584	\$7,698
93722	\$1,525	\$435	\$4,343	\$7,045
93723	\$800	\$318	\$5,500	\$10,154
93725	\$910	\$500	\$2,500	\$4,500
93726	\$1,736	\$650	\$4,000	\$6,968
93727	\$1,635	\$500	\$5,000	\$7,359
93728	\$1,450	\$600	\$3,750	\$5,263
93730	\$3,317	\$500	\$7,250	\$16,523
93737	\$1,256	\$300	\$4,500	\$6,056
CITY WIDE	\$1,600	\$500	\$4,500	\$7,211

Top five results in each column are highlighted.

Conclusions and Recommendations

This report measures the effectiveness of three aspects of the program: Outreach, Targeting and Impact.

Outreach. Judging by sheer numbers, we can congratulate ourselves on a successful outreach campaign that touched a high number of the businesses in this segment as well as neighborhoods across the city. While District 5 continues to lag behind the other districts in sheer numbers, even here we were able to improve performance in round 2 over round 1.

Nonetheless, it is clear that we still have not touched many “hard-to-reach” businesses isolated from our communications by language barriers, and even more notably, by a digital divide that prevents us from successfully administering programs. Especially during this period when the pandemic has prevented City Hall from opening its doors to the public, and requiring certain businesses to remain closed, thereby further impeding our contact efforts with businesses. This is preventing staff from a deep enough understanding about these businesses to formulate new programs that can answer their needs.

Outreach Recommendations:

1. Continue to invest in developing a robust email list. While many businesses don't have computers, almost everyone has email of some kind and it is the best way to deliver prompt and relevant information directly to business owners. While this is self-evident, the task itself is not trivial to collect a clean email list with both high subscription and high delivery rates. We need to work with ISD to make better use of the website and our email marketing platform.
2. Based on staff's experience of contacting recipients by phone, we do not believe that the application submission metric accurately reflects language support demand. In any case, we can't know the number of businesses we are not reaching at all. For this reason, the team recommends that the city continue to invest in data gathering and language support -- including cross-departmental collaboration -- that provide services to the public to reach businesses who are currently excluded by language barriers. We must also improve relationships with Hmong and Punjabi media and community support outlets. While we already have long-standing partnerships in the Spanish-speaking community, we need to spend more time and energy creating comparable networks in these other communities.

Targeting. Our goals for round 2 of this program was to “level the playing field” for businesses in underserved neighborhoods -- underserved both in terms of the business owners but also their local customers -- and to target specific business types identified by the City Council.

Here we can be confident that we successfully used the proxy of the Opportunity Zone and CDBG boundaries to mitigate against higher turnout in wealthier, northern neighborhoods. In this way, we achieved a more equitable outcome than a strictly “Even-Stephen” division of the funds.

Likewise, the profile of our recipients is a solid match with the expectations of the City Council, which had called attention to businesses most likely to be forced to close or reduce operations because of social distancing restrictions. The shuttered storefronts of our restaurants, nail salons and retail stores also represent the thriving community we collectively strive for and, now, a powerful symbol of the loss of economic activity caused by the COVID-19 crisis.

At the same time, we need to create a “map” of our businesses that would allow us to further hone our targeting methodologies.

Targeting Recommendations

1. Commit to using our newly created database to continue surveying and assessing the needs of small business owners, especially in this 25-and-fewer employee sector underserved by the various chambers as they are the least likely to become dues-paying members.
2. Continue to study best practices for social and racial equity programs that will help us to deepen support for our underserved neighborhoods. As a first step, we recommend joining the [Government Alliance on Race and Equity](#), a national network of government working to achieve racial equity and a joint project of Race Forward and the Othering and Belonging Institute.

Impact. Here our conclusions are less positive.

While we did not collect quantitative data on this, it is abundantly clear from our experience of administering the program that too many of our business owners are trying to operate without any digital or IT infrastructure. They lack both equipment (computers), reliable internet access and the skills to either manage their businesses or market them digitally. This is an alarming observation in a time where future closures and permanent changes in consumer behavior make it imperative that businesses be able to use digital marketing and distribution channels (e.g. email and social marketing and e-commerce.)

Impact Recommendations

1. We urge Council to explore funding options to subsidize equipment, bandwidth and training for businesses that can demonstrate a need as well as *the change of mindset* required by these new challenging circumstances.
2. Our team seeks to establish a Small Business “Counter Service” in a satellite office to improve accessibility to the public so that we can more effectively evangelize the small business network already existing in Fresno. We do not need to replace resources already effectively provided elsewhere in the Fresno ecosystem, but we want to provide a “first-stop service” to connect small businesses with our partners and identify needs for new services and programs.

Considering that many of these businesses are still closed or partially closed five months after the initial Shelter in Place order, and that overall consumer activity is still vastly curtailed even for those businesses that are now allowed to operate, we must conclude that the SOSB program represents only a drop of water in an ocean of need for our small businesses.

But we knew that when we started.

Staff takes comfort in having established new relationships with our small business owners through this program. As a result, we have a deeper understanding of their experiences and challenges. We heard many complaints; the money could not come fast enough! But we also heard many expressions of thanks for our team’s efforts and the investment that SOSB represents from the City of Fresno. A text message sent to a team member from a recipient expresses both the anxiety carried by our small business owners and the emotional impact of even an attempt to support them:

“I know I said I’d delete your personal number but I had to hold on...I had to let you know, I’m gonna be ok. The grant was deposited this morning. I now can contact & catch upon on some very overdue/disconnect expenses. My family is going to be ok. My business will pull thru. All because you reached out and personally helped me! I can’t even begin to tell you how thankful I am for you!!!”

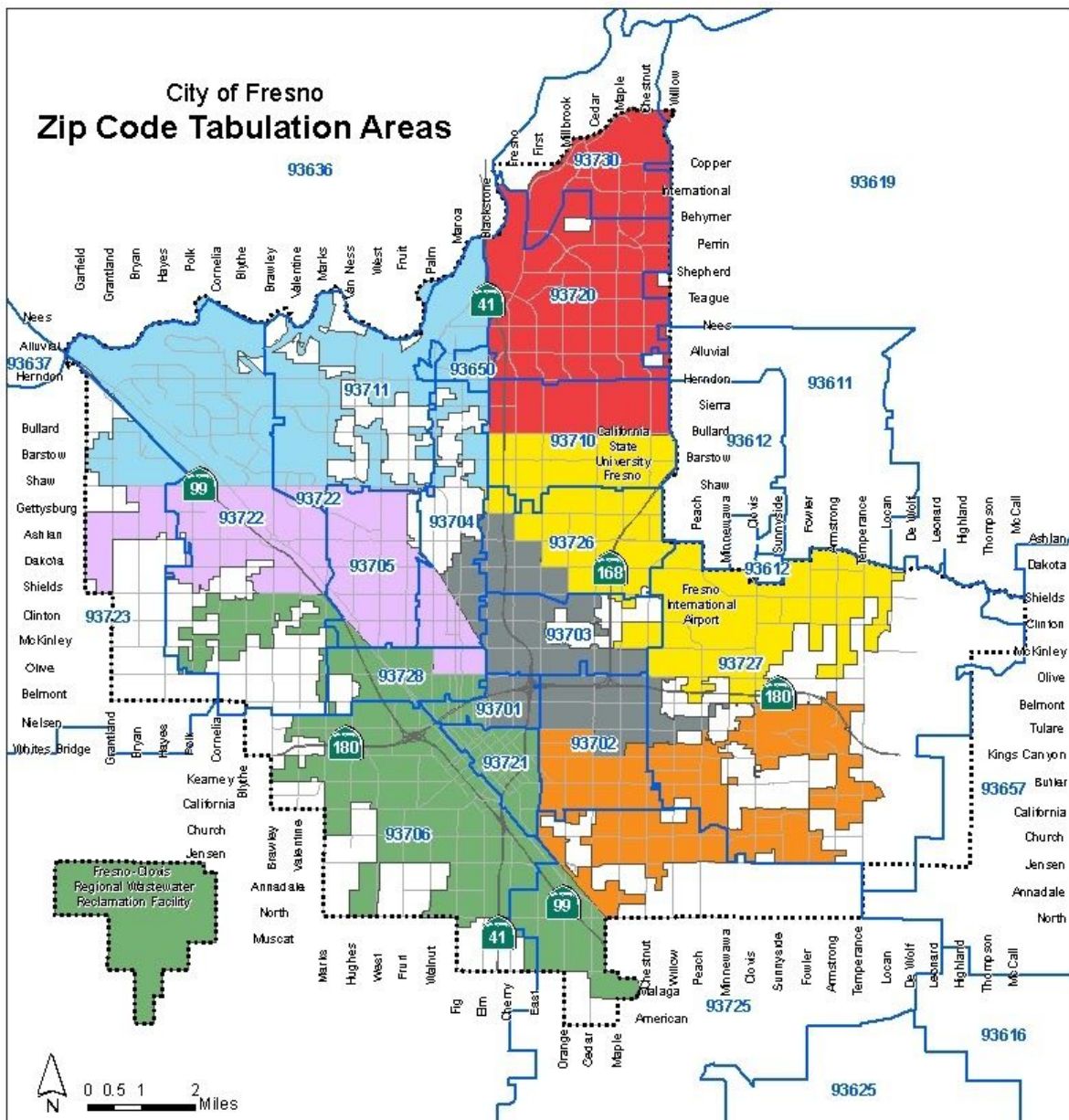
Appendix

SOSB Press Coverage

GV Wire	Aug 18, 2020	COVID-19 Relief Help Makes Pandemic Candles & Doorstep Medical Delivery Possible
Univision	Aug 18, 2020	Ciudad de Fresno aprueba un nuevo millón de dólares para ir en ayuda de pequeños comerciantes
Your Central Valley	Aug 14, 2020	Latest Fresno COVID-19 relief plans aim to help vulnerable communities hit hard by the pandemic
Fox26 News	Jul 14, 2020	Small businesses to start receiving grants from City of Fresno on Wednesday
Fresno Bee	Jun 30, 2020	Here's how leaders will spend millions in COVID-19 relief money in south Fresno
ABC 30 Action News	Jun 25, 2020	300 small businesses about to get cash infusion from city of Fresno
GV Wire	Jun 8, 2020	City Businesses Get More Time to Apply for COVID Impact Money. County Applications Soar.
Univision	Jun 7, 2020	Extienden plazo para solicitar ayuda financiera a comerciantes de Fresno afectados por el coronavirus
GV Wire	May 26, 2020	Need \$5K or \$10K Grant for Small Business to Survive COVID? Apply Now.
ABC 30 Action News	May 19, 2020	As reopening restaurants comes closer in Fresno County, one models safe operations
The Business Journal	May 15, 2020	FRESNO CITY COUNCIL APPROVES \$2 MILLION FOR SMALL BUSINESS GRANTS
Fresno Bee	May 14, 2020	Fresno adds new relief for small farms and businesses, also renters hurt by coronavirus
Fresno Bee	May 12, 2020	Fresno County offering grants up \$5,000 to small businesses amid coronavirus pandemic
ABC 30 Action News	May 12, 2020	Fresno Co. Board of Supervisors unveils small business grant

		program
The Sun Gazette	Apr 29, 2020	City Council wants to help businesses survive the pandemic
GV Wire	Apr 24, 2020	Fresno Awards 0% Loans to 116 Small Businesses Impacted by COVID
Fresno Bee	Apr 24, 2020	Fresno County reports two dozen more COVID-19 cases. No new deaths
ABC 30 Action News	Apr 23, 2020	Massive cash infusion for Fresno, help for small businesses and renters could follow
GV Wire	Apr 22, 2020	\$1,000 in Housing Help for Fresno Residents Passes 1st Hurdle
Univision	Apr 8, 2020	Coronavirus: Pequeños comerciantes de Fresno pueden solicitar préstamos de hasta \$10,000, sin intereses
ABC 30 Action News	Apr 7, 2020	City of Fresno announces program to help small businesses during COVID-19 pandemic
Fresno Bee	Apr 6, 2020	Fresno businesses hurt by pandemic can apply for 0% interest loans. But they must hurry
Your Central Valley	Apr 6, 2020	Fresno City opens application for COVID-19 small business relief fund
ABC 30 Action News	Apr 2, 2020	Fresno gets hundreds of complaints about non-essential businesses still open
Your Central Valley	Mar 27, 2020	Small business owners applaud Fresno's soon-to-come relief program
GV Wire	Mar 18, 2020	Fresno Shelter-in-Place Ordinance Takes Effect at 12:01 AM Thursday
Fresno Bee	Mar 17, 2020	While you're staying home, Fresno, don't forget to support our local businesses

Map of Fresno Zip Codes and Council Districts



Legend

- Zip Code Tabulation Areas*
- District 3
- Sphere of Influence
- Council Districts**
- District 1
- District 4
- District 5
- District 6
- District 7
- District 2

*Zip Code Tabulation Areas are generalized areal representations of Zip Codes. Zip codes are a collection of mail delivery routes and do not have defined boundaries. Source: 2019 US Census Bureau

Applicants by Zip Code - Both Rounds Combined

	Round 1		Round 2		Grand Total	
Zip Code	No. of Applicants	% of Total	No. of Applicants	No. of Applicants	% of Total	
93711	205	8.19%	97	302	12.07%	
93710	167	6.67%	110	277	11.07%	
93720	183	7.31%	76	259	10.35%	
93722	132	5.27%	103	235	9.39%	
93727	138	5.51%	94	232	9.27%	
93721	100	4.00%	92	192	7.67%	
93726	83	3.32%	78	161	6.43%	
93703	74	2.96%	44	118	4.71%	
93704	71	2.84%	40	111	4.43%	
93702	47	1.88%	62	109	4.35%	
93728	44	1.76%	44	88	3.52%	
93706	47	1.88%	37	84	3.36%	
93705	35	1.40%	28	63	2.52%	
93701	27	1.08%	22	49	1.96%	
93725	23	0.92%	13	36	1.44%	
93730	22	0.88%	12	34	1.36%	
93619	22	0.88%		22	0.88%	
93723	11	0.44%	10	21	0.84%	
93650	10	0.40%	11	21	0.84%	
93612	19	0.76%		19	0.76%	
93611	13	0.52%		13	0.52%	
93657	7	0.28%		7	0.28%	

93737			5	5	0.20%
93662	3	0.12%	1	4	0.16%
93729	3	0.12%		3	0.12%
93636	3	0.12%		3	0.12%
93630	3	0.12%		3	0.12%
93654	2	0.08%		2	0.08%
93640	2	0.08%		2	0.08%
93625	2	0.08%		2	0.08%
93616	2	0.08%		2	0.08%
94720	1	0.04%		1	0.04%
94710	1	0.04%		1	0.04%
93910	1	0.04%		1	0.04%
93771	1	0.04%		1	0.04%
93747	1	0.04%		1	0.04%
93745	1	0.04%		1	0.04%
93740	1	0.04%		1	0.04%
93714			1	1	0.04%
93712			1	1	0.04%
93651	1	0.04%		1	0.04%
93648	1	0.04%		1	0.04%
93646	1	0.04%		1	0.04%
93631	1	0.04%		1	0.04%
93618	1	0.04%		1	0.04%
93609	1	0.04%		1	0.04%
93606	1	0.04%		1	0.04%
93301			1	1	0.04%

93292	1	0.04%		1	0.04%
93245	1	0.04%		1	0.04%
93153	1	0.04%		1	0.04%
92731	1	0.04%		1	0.04%
92722	1	0.04%		1	0.04%
91612	1	0.04%		1	0.04%
90257	1	0.04%		1	0.04%
TOTALS	1521	60.76%	982	2503	100.00%

Applicants by Business Type - Both Rounds Combined

Business Type	No. of Businesses	% of Total
Adult Care Services	12	0.5%
Amusement & Recreational	45	2.0%
Auto	173	7.5%
Bakery	19	0.8%
Business Service	355	15.4%
Cleaning & Janitorial	47	2.0%
Food Processing & Distribution	16	0.7%
Health & Fitness	79	3.4%
Home & Office Maintenance	105	4.6%
Hotel & Motel	11	0.5%
Manufacturing & Fabrication	24	1.0%
Medical	165	7.2%
Non-Profit	3	0.1%
Other	162	7.0%
Personal Grooming	279	12.1%
Pet Care & Supplies	19	0.8%
Private School or Childcare Facility	23	1.0%
Remodeling & Construction	70	3.0%
Restaurant	315	13.7%
Retail Store	277	12.1%
Technology	22	1.0%
Training	14	0.6%
Transportation & Logistics	63	2.7%
TOTALS	2298	100.0%

Breakdown of Applicants by Business Type - Both Rounds Combined

Business Type	No. of Businesses	% of Total
Adult Care Services	12	0.52%
Amusement & Recreational: Event Rentals	16	0.70%
Amusement & Recreational: Other	29	1.26%
Auto: Car Wash & Detailing	4	0.17%
Auto: Repairs & Supplies	111	4.83%
Auto: Towing/Roadside Service	14	0.61%
Auto: Vehicle Dealership	44	1.91%
Bakery: Donut Shop	7	0.30%
Bakery: Other	8	0.35%
Bakery: Panaderia	4	0.17%
Business Service: Accounting & Tax Preparation	33	1.44%
Business Service: Advertising & Marketing Service	37	1.61%
Business Service: Alterations & Shoe Repair	12	0.52%
Business Service: Auctions & Appraisals	3	0.13%
Business Service: Bail Bonds	3	0.13%
Business Service: Billing	2	0.09%
Business Service: Engineering & Architecture	17	0.74%
Business Service: Hospitality	5	0.22%
Business Service: Insurance	9	0.39%
Business Service: Interpretation & Translation	2	0.09%
Business Service: Investigations	2	0.09%
Business Service: Legal	47	2.05%
Business Service: Mail & Shipping	5	0.22%
Business Service: Media	2	0.09%
Business Service: Mortuary	5	0.22%
Business Service: Moving & Storage	4	0.17%
Business Service: Other	47	2.05%
Business Service: Other Finance Service	17	0.74%
Business Service: Petitioning/Notary Public	5	0.22%
Business Service: Photography/Video	22	0.96%
Business Service: Printing & Publishing	16	0.70%
Business Service: Property Management/Real Estate	36	1.57%
Business Service: Recycling	2	0.09%
Business Service: Signage	4	0.17%
Business Service: Staffing Agency	5	0.22%
Business Service: Travel Agency	7	0.30%
Business Service: Wholesale	6	0.26%
Cleaning & Janitorial: Laundry/Dry Cleaner	10	0.44%

Cleaning & Janitorial: Services	31	1.35%
Cleaning & Janitorial: Supplies	2	0.09%
Cleaning & Janitorial: Window Washing	4	0.17%
Food Processing & Distribution	16	0.70%
Health & Fitness: Dance Studio	10	0.44%
Health & Fitness: Gym/Sports	36	1.57%
Health & Fitness: Martial Arts Studio	10	0.44%
Health & Fitness: Massage Therapy	12	0.52%
Health & Fitness: Wellness	11	0.48%
Home & Office Maintenance: Appliance Repair	3	0.13%
Home & Office Maintenance: Electrical & Lighting	20	0.87%
Home & Office Maintenance: Flooring	8	0.35%
Home & Office Maintenance: Gardening/Landscaping	13	0.57%
Home & Office Maintenance: Heating & Cooling	17	0.74%
Home & Office Maintenance: Interior Design	5	0.22%
Home & Office Maintenance: Other	15	0.65%
Home & Office Maintenance: Painting	6	0.26%
Home & Office Maintenance: Pest Control	8	0.35%
Home & Office Maintenance: Plumbing	8	0.35%
Home & Office Maintenance: Roofing	2	0.09%
Hotel or Motel	11	0.48%
Manufacturing & Fabrication	24	1.04%
Medical: Dental Office	62	2.70%
Medical: Doctor's Office	36	1.57%
Medical: Mental Health & Counseling	17	0.74%
Medical: Other	16	0.70%
Medical: Physical Therapy & Chiropractic	17	0.74%
Medical: Training	7	0.30%
Medical: Vision Care	10	0.44%
Non-Profit	3	0.13%
Other	162	7.05%
Personal Grooming: Barber Shop/Hair Salon	191	8.31%
Personal Grooming: Nail Salon	36	1.57%
Personal Grooming: Other	11	0.48%
Personal Grooming: Permanent Makeup	11	0.48%
Personal Grooming: Skin Care & Day Spa	21	0.91%
Personal Grooming: Tattoo Shop	9	0.39%
Pet Care & Supplies	19	0.83%
Private School or Childcare Facility	23	1.00%
Remodeling & Construction	70	3.05%
Restaurant: Bar or Brewery	15	0.65%

Restaurant: Cafe or Deli	33	1.44%
Restaurant: Catering	18	0.78%
Restaurant: Dine-In Only	10	0.44%
Restaurant: Full Service	204	8.88%
Restaurant: Mobile Food Vendor	11	0.48%
Restaurant: Nightclub	2	0.09%
Restaurant: Take Out Only	22	0.96%
Retail Store: Other	94	4.09%
Retail: Beauty Supplies	5	0.22%
Retail: Bicycles	2	0.09%
Retail: Cell Phones & Accessories	14	0.61%
Retail: Clothing/Shoes/Accessories	53	2.31%
Retail: Flowers	9	0.39%
Retail: Furniture & Home Furnishings	36	1.57%
Retail: Gas Station/Convenience/Liquor Store	27	1.17%
Retail: Home Remodeling Materials	8	0.35%
Retail: Jewelry Sales & Repairs	15	0.65%
Retail: Smoke Shop	14	0.61%
Technology: Electronics Sales & Services	11	0.48%
Technology: Other Energy Services	2	0.09%
Technology: Software Development	6	0.26%
Technology: Solar Services	3	0.13%
Training: Driving School	4	0.17%
Training: Other	10	0.44%
Transportation & Logistics	63	2.74%
TOTALS	2298	100.00%

Breakdown of Recipients by Business Type - Both Rounds Combined

Recipients by Business Type	Round 1 Recipients	Round 2 Recipients*	TOTALS	% of GRAND TOTAL
Personal Grooming: Barber Shop/Hair Salon	15	47	62	14.4%
Restaurant: Full Service	6	41	47	10.9%
Retail Store: Other	2	30	32	7.4%
Retail: Clothing/Shoes/Accessories	1	21	22	5.1%
Remodeling & Construction	3	11	14	3.2%
Retail: Furniture & Home Furnishings	1	10	11	2.5%
Amusement & Recreational: Other	3	7	10	2.3%
Auto: Repairs & Supplies	8	2	10	2.3%
Auto: Vehicle Dealership	3	7	10	2.3%
Restaurant: Take-Out Only	0	8	8	1.9%
Retail: Jewelry Sales & Repairs		8	8	1.9%
Health & Fitness: Gym/Sports	2	5	7	1.6%
Business Service: Advertising & Marketing Service	3	3	6	1.4%
Business Service: Legal	6		6	1.4%
Cleaning & Janitorial: Services	1	5	6	1.4%
Personal Grooming: Nail Salon		6	6	1.4%
Restaurant: Mobile Food Vendor		6	6	1.4%
Business Service: Other	1	4	5	1.2%
Medical: Mental Health & Counseling	4	1	5	1.2%
Personal Grooming: Other		5	5	1.2%
Private School or Childcare Facility	1	4	5	1.2%
Restaurant: Dine-In Only		5	5	1.2%
Retail: Cell Phones & Accessories	3	2	5	1.2%

Amusement & Recreational: Event Rentals	1	3	4	0.9%
Business Service: Alterations & Shoe Repair		4	4	0.9%
Business Service: Engineering & Architecture	1	3	4	0.9%
Business Service: Printing & Publishing		4	4	0.9%
Business Service: Property Management/Real Estate	2	2	4	0.9%
Home & Office Maintenance: Electrical & Lighting	3	1	4	0.9%
Medical: Dental Office	3	1	4	0.9%
Personal Grooming: Permanent Makeup	1	3	4	0.9%
Restaurant: Catering	3	1	4	0.9%
Business Service: Photography/Video	1	2	3	0.7%
Health & Fitness: Dance Studio		3	3	0.7%
Health & Fitness: Martial Arts Studio		3	3	0.7%
Manufacturing & Fabrication	2	1	3	0.7%
Medical: Doctor's Office	1	2	3	0.7%
Other	3		3	0.7%
Personal Grooming: Skin Care & Day Spa	1	2	3	0.7%
Pet Care & Supplies	1	2	3	0.7%
Restaurant: Cafe or Deli	2	1	3	0.7%
Retail: Flowers		3	3	0.7%
Technology: Electronics Sales & Services	1	2	3	0.7%
Adult Care Services	1	1	2	0.5%
Auto: Car Wash & Detailing		2	2	0.5%
Bakery: Panaderia	1	1	2	0.5%
Business Service: Accounting & Tax Preparation	2		2	0.5%

Business Service: Travel Agency	1	1	2	0.5%
Business Service: Wholesale		2	2	0.5%
Health & Fitness: Massage Therapy	1	1	2	0.5%
Health & Fitness: Wellness		2	2	0.5%
Home & Office Maintenance: Appliance Repair		2	2	0.5%
Home & Office Maintenance: Gardening/Landscaping	1	1	2	0.5%
Home & Office Maintenance: Heating & Cooling	2		2	0.5%
Home & Office Maintenance: Other		2	2	0.5%
Home & Office Maintenance: Plumbing	2		2	0.5%
Manufacturing & Fabrication		2	2	0.5%
Medical: Physical Therapy & Chiropractic	2		2	0.5%
Restaurant: Bar/Brewery	1	1	2	0.5%
Retail: Beauty Supplies	1	1	2	0.5%
Retail: Gas Station/Convenience/Liquor Store	2		2	0.5%
Auto: Towing/Roadside Service	1		1	0.2%
Bakery: Donut Shop		1	1	0.2%
Bakery: Other		1	1	0.2%
Business Service: Auctions & Appraisals		1	1	0.2%
Business Service: Interpretation & Translation	1		1	0.2%
Business Service: Investigations		1	1	0.2%
Business Service: Mail & Shipping	1		1	0.2%
Business Service: Mortuary		1	1	0.2%
Business Service: Recycling	1		1	0.2%
Cleaning & Janitorial: Laundry/Dry Cleaner		1	1	0.2%

Cleaning & Janitorial: Window Washing		1	1	0.2%
Food Processing & Distribution		1	1	0.2%
Home & Office Maintenance: Flooring		1	1	0.2%
Home & Office Maintenance: Interior Design		1	1	0.2%
Home & Office Maintenance: Painting		1	1	0.2%
Home & Office Maintenance: Pest Control	1		1	0.2%
Medical: Training	1		1	0.2%
Medical: Vision Care	1		1	0.2%
Personal Grooming: Tattoo Shop		1	1	0.2%
Restaurant: Nightclub		1	1	0.2%
Retail: Bicycles	1		1	0.2%
Retail: Home Remodeling Materials		1	1	0.2%
Retail: Smoke Shop	1		1	0.2%
Training: Driving School		1	1	0.2%
Training: Other		1	1	0.2%
Transportation & Logistics	1		1	0.2%
TOTALS	116	316	432	100.0%

**Cells in red indicate categories excluded by round 2 guidelines.*

Intended Use of Funds - Both Rounds Combined

Use of Funds	No. of Citations
Pay business mortgage or rent	907
Business Utilities	883
Cover payroll or benefits of employees currently on payroll	688
Acquire inventory or supplies required to reopen the business	546
Acquire PPE or other supplies required to comply with social distancing measures	500
Rehire employees laid-off or furloughed since COVID hit	303
Pay unemployment insurance costs	202
Other	83
Bills & Operating Expenses	29
Business Insurance	20
Advertising or Marketing	6
Business License/Certifications	5
Workman's Compensation	4
Software Services	4
Security	4
Loss of Income	4
Internet	4
Equipment Loan, Purchase or Repairs	4
Vehicle Payments	3
Vehicle Maintenance	3
Taxes	3
Remodeling for Social Distancing	2
Pay independent contractors	2
Cleaning/Building Maintenance	2
Car Insurance	2
Towel Service	1
Subscriptions	1
Retirement Plan Contributions	1
Restoration Costs	1
Recycling	1
Owner Draw	1
Office Supplies	1
Health Coverage	1
Gas	1
Food	1
Establish Better Online Service	1
Cable	1

Car Insurance	1
Bookkeeping	1
Back Bar	1
Airline Computer Contract	1
TOTAL	4229

Applicant Comments on Intended Use of Funds - Both Rounds Combined*

**This data could not be normalized and was not included in summary tables. All comments are verbatim from application.*

Use of Funds Responses	
Modifications have been made and now we are ready to open. We have had to pay all invoices without defeating them to not place a debt on the business when opening.	
We have completely emptied savings to maintain any bills on the business and now requires the supplies to completely comply with opening. We have even extended opening our business so that we are in FULL compliance when we open June 9	
24-hr home office Mortgage	
Business was closed since March 18	
Consider renting a storage space so that we can create more space to accommodate social distancing measures.	
elder seeking funds to reoperate and request renewal permit....swapmeet sales...devestating	
hire 1 full time employee and 1 part time employee	
I am in dire need of financial assistance because ALL of my hearing appointments have cancelled. All of them!! Aslo I am not being offered any future translation/interpreting jobs because everything is shutdown. Once everything reopens I will still be struggling financially for a while because job offers are usually sent out a month in advanced. I work from home so I urgently need money to pay mortgage, utilites, office supplies like ink& paper. I need to pay my cell phone bill awell as my internet service. I am begging you to please help me though this scary financial nightmare. Thank you	
i need to pay my personal bills	
I need to purchase a vehicle so my drivers (independent contractors) can pick up and deliver the trucks to and from the delivery sites.	
I need to refund several clients for weddings that have been cancelled	
I pay \$400 a month for office rent. In addition, I pay roughly \$100 a month for other operating expenses (shipping/postage, supplies). The office I rent has not deferred out rent and I still need to pay monthly. In addition, even though business has slowed to the point I am not getting new clients, I still need to pay myself, so I can pay my bills. During the first two months of business, I had cash flow of approximately \$12,000. However, because of the government closures, USCIS and the immigration courts are closed. This has impacted my business and slowed my income to about \$1,000 a month, if that.	
I rely on this business	
I rely on this business. I have to pay my personal bills	
I will use on rent, payroll, utilities, and insurance costs	
malpractice and liability insurances for my acupuncture business while I have been closed since	

03/13/20 due to the COVID-19 pandemic and current shelter in place order.
Marketing to make public aware of safety measures in place for their protection
Monthly estimates: \$255 Rent, \$8,000+ payroll, other fixed operating expenses \$250+
Monthly Rent \$525.00, Admin/billing \$800, Communication/EMR \$170,
Mortgage and other household items i need.
Mortgage, utilities, home office, etc., I am a Portrait photographer. All photos are taken on location, for example, at Day Care Centers (Easter Portraits), Employee photos at business's, Banquets, Graduations. etc. (all this has come to a halt) My home office is where I prepare and package photos , etc.
Mortgage, Utilities, Refunds and Paying Down Credit Card Debt for the business
Need to pay my bills I have been out of work
Operating expenses
Other Fixed Operating expenses
Other, Business costs
Other, COVID-19
Other, Have no employees but 3 independent Operators that teach class and have not been able to pay them including myself for 3 months
Other, loss of revenue from being closed for 2 mos. at \$4,000 per mo
Other, Operating expenses maintenance and repairs
Other, Pay bills
Other, Reforzar el dj, no he tocado pues cancele unas fiestas a causa del Covid-19
Our most recently hired full time employee is not covered under the current health care policy. The money would be used to include him.
Outside services used for the Vehicles I am selling such as detailers
Overhead costs for contractors
Parts for the automotive.
Payroll, rent and other fixed expenses
Payroll Utilities
Prepare salon and up to date on all regular expenses
Promoción
Provide assistance to struggling clients; many are small business
PURCHASE NEW CASE FOR COVID REQUIREMENTS
rent \$1841/mo; payroll \$11,376/mo
rent 500 monthly payroll 800 bi-weekly food inventory 1,350 bi-weekly gas/propane 260 monthly insurance 250 monthly paper goods 250 cleaning supplies 75 misc 50 misc

Rent Payroll, utilities
RENT UTILITIS EXPENSES
Rent- Phone-Operating expenses-Insurance
Rent-\$15318, payroll-63191, supplies-29450, payroll tax-6700, phone-5200, office supplies-6947, insurance-9209, lab expense-33285, accounting-1890, dues-4275, repair and maintenance-1250.
Rent, Billing, Utilities (phone, internet, etc), supplies
Rent: \$6732/mo Payroll: \$36,000/mo Utilities: \$1500/mo
replace damaged and clea space
RIGHT AFTER SHELTER IN PLACE. IT CAUSED A HUGE SCARE IN THE COMMUNITY AND WE HAVE LOST BUSINESS.
Self employed need to pay all my personal bills
THERE WAS A SHOOTING IN FRONT OF THE LAUNDROMAT ON MARCH 21
This loan/grant will be used for payroll, supplies, rent and utilities
To build my company back up.
TRUCKS MAINT & OTHER OP. EXP.
Update and acquire equipment that needs to be replaced that due to COVID I was unable to because loss of revenue.
Upgrading outdated equipment such as computers
Various expenses that are associated with reopening a business after it has been closed for 12 weeks
We do not have employee. We have 1099 contractors. Independent people who we pay to come and work with us
We have been here sice 1950s dari delite
We would use the funds to cover payroll costs so that we can keep our staff employed.
Yes, we will be using this funds for all the above.

Small Businesses by Legal Structure - Both Rounds Combined

Legal Structure of Business	No. of Applicants
Sole Proprietorship	1012
S-Corporation	362
LLC (Limited Liability Company)	229
Corporation (Unspecified)	224
C-Corporation	118
Partnership	46
General Partnership	42
Other	8
Limited Partnership	6
LLP (Limited Liability Partnership)	5
Contractor	3
Non-profit	1
TOTAL	2056

Applicants by Gender - Round 1 Data

Gender of Owner	No. of Applicants	% of Total
Female	570	37.7%
Male	941	62.3%
TOTAL	1511	100.0%

Applicants Receiving Federal Relief Funding by Zip Code- Round 1 Data

Zip	No. of PPP Recipients	% of Total	No. of EIDL Recipients	% of Total
93701	2	1.9%	2	1.9%
93702	4	3.7%	4	3.7%
93703	7	6.5%	7	6.5%
93704	7	6.5%	7	6.5%
93705	7	6.5%	7	6.5%
93706	5	4.6%	5	4.6%
93710	15	13.9%	15	13.9%
93711	11	10.2%	11	10.2%
93720	6	5.6%	6	5.6%
93721	4	3.7%	4	3.7%
93722	7	6.5%	7	6.5%
93725	5	4.6%	5	4.6%
93726	6	5.6%	6	5.6%
93727	15	13.9%	15	13.9%
93728	4	3.7%	4	3.7%
93730	1	0.9%	1	0.9%
93771	1	0.9%	1	0.9%
93910	1	0.9%	1	0.9%
TOTALS	108	100.0%	108	100.0%

Applicants Filing a Claim or Loss by Zip Code - Round 2 Data

Zip Code	No. of Applicants
93301	0
93650	3
93662	0
93701	3
93702	4
93703	5
93704	4
93705	4
93706	4
93710	18
93711	23
93712	0
93714	0
93720	23
93721	10
93722	10
93723	1
93725	1
93726	4
93727	12
93728	9
93730	1
93737	1
TOTAL	140

Essential v. Non-Essential Businesses - Round 2 Data

	No. of Applicants	% of Total
Essential	415	42.2%
Non-Essential	567	57.8%
TOTALS	982	100.0%

Program Guidelines As Approved by City Council

Round 1

City of Fresno Save Our Small Businesses Loan Program Guidelines

April 1, 2020



Description of Program and Business Rules

Pursuant to the March 25, 2020 adoption of Resolution No. 2020-069 by the Council of the City of Fresno authorizing the creation and implementation of the “Save Our Small Businesses Loan Program” to be administered by the City of Fresno.

The loan program is for small businesses with twenty-five or fewer employees that are impacted by the COVID-19 state and local “Stay in Place” orders; the loan fund available for this program is \$750,000.

Definitions

Applicant Business: A business submitting an application

Recipient: A business receiving a distribution from the Save Our Small Businesses fund

Staff: Administrators of the program reporting to the Director of the Mayor’s Office of Economic Development and other City of Fresno departments involved in implementation

Goals

Small businesses in the City of Fresno subject to the Shelter in Place orders are in need of immediate help to stay viable under the current circumstances.

1. The program guidelines shall ensure that the funds are distributed fairly and equitably
2. The program shall distribute funds quickly
3. At least twenty percent (20%) of funds shall be distributed to businesses with five (5) or fewer employees
4. The application process shall provide privacy protection of financial and business data

5. The application shall be easily accessible to all of Fresno’s small business-owners
6. The program shall be widely publicized so that no business is excluded

Staff proposes the following process for ensuring a fast and fair distribution:

- A one-week application period shall be open during which applications shall be accepted
- Applications shall be reviewed for eligibility requirements
- Applications shall be sorted by Council District and chosen through a lottery system

Eligibility Requirements

1. An Applicant Business must be physically located and operating in the City of Fresno
2. Loans must be limited to (1) loan per business entity
3. An Applicant Business must have been operating with a current and valid City of Fresno Business Tax Certificate since at least February 15, 2019
4. An Applicant Business must have 25 or fewer employees as of February 15, 2020
5. An Applicant Business must show they have been negatively impacted by the state or local emergency “Shelter In Place” orders
6. An Applicant Business must have no outstanding tax liens or judgements

Loan Terms

- Recipients with six (6)-25 employees prior to February 15, 2020 are eligible to receive up to \$20,000
- Recipients with one (1)-five (5) employees prior to February 15, 2020 are eligible to receive up to \$10,000
- Loan proceeds are to be used for working capital
- Loans shall be distributed at 0% percent interest with no prepayment penalties
- Loans shall be amortized over a 36-month (3 year) period
- Loan installments shall commence 60 days after the repeal of local COVID-19 emergency orders
- Recipients may apply for loan forgiveness if they can show they have maintained continuous operation with the same number of employees as before February 15, 2020; have maintained a current City Business Tax Certificate; and are current on required monthly loan payments with no delinquencies

Program Administration

Program Launch

- Applications will be accepted for a seven (7)-day calendar period
- Staff will create a dedicated webpage on the City of Fresno website and promote access to this page via television, radio and social media outlets
- Staff will provide program information to business associations encouraging them to disseminate awareness of the program
- Program information will be provided in English, Spanish and Hmong

Award Selection

- Staff shall review all submitted applications and verify eligibility
- Eligible applications will be sorted by Council District and chosen through a random lottery system

Award Distribution

- Staff will communicate directly to Recipients with instructions for execution of business loan agreements and distribution of funds
- Staff will report the final distribution of loans to the City Manager, Mayor and City Council
- Reporting shall consist of the total number of applications during the seven (7)-day window, the number of employees of each Applicant Business and the final loan distribution for each Recipient

Round 2

City of Fresno Save Our Small Businesses Program

May 19, 2020

Submitted by: Lupe Perez, Director, Mayor's Office of Economic Development

Proposed Timeframe

Release of application: *TBD*

Application deadline: Monday, June 1 at midnight

Funds disbursement: Starting Monday, June 15

Description of Program and Guidelines

The Save Our Small Businesses program provides \$2 million in emergency relief funds to small businesses operating in the City of Fresno that have been negatively impacted by the COVID-19 public health emergency:

- required closures
- voluntary closures to promote social distancing measures
- decreased customer demand

The grants provided through the program will be distributed in \$5,000 and \$10,000 disbursements to be used for:

- payroll and benefit costs
- unemployment insurance costs incurred by the recipient as an employer if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise
- overdue rent or mortgage payments to avoid eviction or foreclosure
- unpaid utility fees
- Inventory or supplies required to safely reopen the business including PPE

Funds may not be used for property capital improvements or the purchase of furniture, electronics, office supplies, or other general business expenses.

To ensure that the City can provide effective outreach on the program's availability and requirements to small businesses across the city, the application form will be due by 11:59 p.m. on June 1, 2020.

Businesses with 1-5 employees are eligible for \$5,000 grants; businesses with 6-25 employees are eligible for \$10,000 grants.

The funds will be distributed via two random selections:

- 1) By Council District: Each district will distribute \$150,000
- 2) City-Wide: \$950 million will be distributed to businesses operating within Community Development Block Grant (CDBG) areas and Opportunity Zones

All businesses are eligible for the first selection; businesses located in CDGB and Opportunity areas are eligible for both selections. The application program will automatically determine eligibility for the second selection based on the physical business address; businesses do not need to know whether or not they are in CDBG or Opportunity Zone areas.

Businesses that have previously applied for the Save Our Small Businesses program will be automatically entered into this second round of funding.

The following business types are not eligible for the program:

- Former recipients of the City's Save Our Small Businesses loan-to-grant program
- Former recipients of the federal Payroll Protection Program loans
- Recipients of the Fresno County HUB Program grants
- Businesses where city staff and council members or their spouses or domestic partners hold a financial stake
- Healthcare operations
- Grocery stores, certified farmers' markets, farm and produce stands, supermarkets, food banks, convenience stores, and other establishments engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, pet supply, fresh meats, fish, and poultry, and any other household consumer products (such as cleaning and personal care products)
- Food cultivation, including farming, livestock, and fishing
- Businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals
- Newspapers, television, radio, and other media services
- Gas stations and auto-supply, auto-repair, and related facilities
- Banks and related financial institutions including check-cashing services
- Hardware stores
- Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses
- Businesses providing mailing and shipping services, including post office boxes
- Laundromats, dry cleaners, and laundry service providers
- Businesses that supply products needed for people to work from home
- Businesses that supply other essential businesses with the support or supplies necessary to operate, including, but not limited to, waste disposal, recycling and electronics recycling
- Businesses that ship or deliver groceries, food, goods or services directly to residences
- Taxis and other private transportation providers
- Residential facilities and shelters for seniors, adults, and children
- Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities
- Liquor stores and smoke shops
- Massage parlors
- Gambling entities
- Property management services
- Local outlets of national chains unless privately and locally owned and operated
- Golf facilities
- Hotels/motels
- Cosmetic surgeons & cosmetic dental services
- Non-profits & religious organizations
- Businesses that can easily adapt to teleworking including therapists/counselors and real estate agents

Eligibility Requirements

- The business shall be physically located and operating in the City of Fresno
- Have been operating with a current and valid City of Fresno business tax certificate for at least one year prior to March 4, 2020

- Have 25 or fewer employees on payroll; owner-operated businesses and consultancies are considered to have a single employee
- Must have no outstanding code violations and be operating as permitted by their conditional use permit
- Must have been subject to a required or voluntary closure or reduction of business operations or be able to provide proof of at least 25% loss of revenue due to the COVID-19 crisis. This requirement may be met through submission of income statements as would be provided to the City of Fresno's Business Tax Division. Businesses do not need to submit a full profit and loss statement.

Round 3

City of Fresno Save Our Small Businesses Grant Program

Proposed Guidelines for Round 3 \$1,000,000

August 13, 2020

Submitted by: Lupe Perez, Director, Mayor's Office of Economic Development

Proposed Timeframe

Marketing Outreach: **August 17-September 20**

Open Applications: **August 24-September 18**

Vetting of Submissions: **August 24-September 25**

Business Selection: **September 28**

Qualification and Distribution of Funds to be complete: **October 5**

Description of Program

The Save Our Small Businesses (SOSB) program for round 3 provides \$1,000,000 in emergency relief funds to small businesses that operate in the City of Fresno and whose business viability has been negatively impacted by the COVID-19 public health emergency:

- required Shelter in Place closures
- voluntary closures to promote social distancing measures
- decreased customer demand and other changes in consumer behavior
- interruptions in supply chain

The grants provided through the program are distributed in \$5,000 and \$10,000 disbursements to be used for:

- payroll and benefit costs
- unemployment insurance costs incurred by the recipient as an employer if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise
- rent or mortgage payments to avoid eviction or foreclosure

- utility fees (except for utilities managed by the City of Fresno e.g. water bill)
- property capital improvements related to social distancing or other public health requirements
- operational, equipment or property modifications to adapt to longer-term changes in customer behavior (e.g. shifts to online ordering and home delivery) and unstable economic conditions (interruptions to supply chains and the potential for future closures, general recession conditions)

Businesses with 1-5 employees are eligible for \$5,000 grants; businesses with 6-25 employees are eligible for \$10,000 grants.

The total pool of funds have been distributed in three rounds:

1. \$750,000
2. \$2,000,000
3. \$1,000,000 [as proposed today in this memorandum]

Round 3 Guidelines

Round 3 will target “hard-to-reach” businesses that historically do not have equitable access to financial support from the government due to language barriers or a lack of access to business support resources such as financial advisors, accountants, legal services or the administrative staff that help business owners take advantage of these programs.

To overcome these barriers, the City of Fresno will partner with the Fresno Area Hispanic Foundation to more effectively market the program to a broad range of Fresno’s business community including all the major language groups. The guidelines are designed to target the allocation of funds to disadvantaged/underserved neighborhoods across the city.

1. Businesses that previously applied for round 2 of the Save Our Small Businesses program but were not selected will be automatically entered into this second round of funding.
2. Disadvantaged/underserved communities will be defined as operating at addresses within Opportunity Zone (OZ) or Community Development Block Grant (CDBG) areas.
3. Businesses that have previously received PPP funding and that operate in OZ/CDBG areas will be allowed to receive a SOSB grant.
4. The remaining funds will be distributed via a random City-Wide selection to businesses operating within Community Development Block Grant (CDBG) areas and Opportunity Zones
 - a. The City of Fresno will provide maps of these areas for the marketing collateral, but businesses will *not* need to know whether or not they are in CDBG or Opportunity Zone areas to apply.
5. The following business types are not eligible for round 3 of the SOSB program:
 - Former recipients of round 1 or round 2 of the Save Our Small Businesses program
 - Recipients of the Fresno County HUB Program grants
 - Businesses where city staff and council members or their spouses or domestic partners hold a financial stake
 - Healthcare providers including doctors, dentists, vision care providers, and physical and mental therapists
 - Cosmetic surgeons & cosmetic dental services
 - Grocery stores, certified farmers’ markets, farm and produce stands, supermarkets, food banks, convenience stores, hardware stores and other establishments engaged in the retail sale of food and other household consumer products such as cleaning and personal care products
 - Food cultivation, including farming, livestock, and fishing

- Newspapers, television, radio, and other media services
- Gas stations
- Banks and related financial institutions including check-cashing services
- Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities
- Property management and real estate sales services
- Hotels/motels
- Trucking and logistics services
- Liquor stores and smoke shops
- Massage parlors
- Gambling entities
- Local outlets of national chains unless privately and locally owned and operated
- Non-profits & religious organizations

Eligibility Requirements

- **Physical Business Address** - Business must be physically located and operating in the City of Fresno
- **Length of Operations** - Business must have been operating with a current and valid City of Fresno business tax certificate prior to March 4, 2020
- **Workforce** - Business must have 25 or fewer employees on payroll; owner-operated businesses and consultancies are considered to have a single employee
- **Neighborhood Good Standing** - Business must have no outstanding code violations and be operating as permitted by their conditional use permit
- **Loss of Income** - Business must have been subject to a required or voluntary closure or reduction of business operations or be able to provide proof of at least 10% loss of revenue due to the COVID-19 crisis. Businesses will be asked to validate their revenue for February and April of 2020 under penalty of perjury.
- **Intent to Continue Operations** - Businesses cannot be offered for sale through any channel in 2020 including during the period of application through the distribution of funds. Discovery of sales negotiations during this period will result in the city asking for a return of the grant.

Administrative Partner

The City of Fresno will enter a contract valued at \$100,000 with the Fresno Area Hispanic Foundation (“the Foundation”) for the purposes of:

- marketing the program to hard-to-reach businesses
- qualification of eligible applications
- distribution of funds to qualified recipients

The contract will stipulate the following:

1. All marketing and outreach during the application period will be managed by the Foundation. Marketing collateral must be available in 4 languages:
 - English
 - Spanish

- Punjabi
 - Hmong
2. The program will be promoted across multiple channels including door-to-door outreach in selected zip codes with respect for social distancing protocols, email and social e-media outreach and placement of media or advertisements in the target languages.
 - a. The Point of Contact in the marketing material will be the Foundation for all program questions and technical assistance.
 3. The Foundation will also provide administrative staff during business hours of 8am-5pm for phone outreach to all applicants from previous rounds of the program.
 - a. This phone outreach will inform participants of their eligibility for the new round and collect demographic data for every business currently in the database.
 4. The application front-end(s) will submit all data gathered during the process directly into the existing City of Fresno Save Our Small Business database; IT teams from both organizations will work together to make this process seamless from the point of view of the business owner.
 5. The City of Fresno will provide administrative staff for vetting of every application against business tax and code enforcement records, as well as length of operations and operating addresses within the designated OZ and CDBG areas.
 6. The City of Fresno economic development staff and the Foundation will jointly administer the random selection of new businesses.
 7. The Chamber will collect and process all qualification documentation.
 - a. This is to include copies of driver's licenses or other California identification, the Save our Small Businesses Grant Recipient Voucher, a IRS W-9 and other documentation as determined necessary by the City of Fresno administrative staff.
 8. The Foundation will distribute funds to qualified businesses through electronic distribution or physical checks, whichever is determined to be the most expedient by the Foundation.