



# Small Business Stabilization Fund

2020 Emergency Fund for Businesses Impacted by  
COVID-19

# Overview

Small businesses in Seattle are experiencing significant negative financial impact due to the fear of the COVID-19 (Coronavirus) infection spreading in our region and country. Some local companies have reported laying off half of employees, experiencing 80% revenue losses, and seeing major declines in foot traffic as tens of thousands of employees are being asked to work from home.

To mitigate barriers to capital for Seattle's most vulnerable businesses, the City of Seattle will commit approximately \$1.5 million in one-time Community Development Block Grant (CDBG) funds to the Small Business Stabilization Fund, an emergency fund that provides working capital grants in amounts up to \$10,000 to qualifying small businesses. The following is the investment criteria for financial support:

## Investment Criteria

- **Eligibility:** OED will target microbusinesses that meet the following requirements: (1) the business owner must have a low- or moderate-income ( $\leq 80\%$  of the Area Median Income); (2) the business must have 5 or fewer employees, including the owner(s); (3) the business must have a brick and mortar store; and (4) The business must have experienced a loss of income due to COVID-19.
- **Targeted Investment Areas:** While the program will be available for any business who meets the minimum requirements to apply, OED will conduct targeted outreach in high-risk displacement neighborhoods identified by the Equitable Development Initiative (EDI). The businesses in high-risk displacement neighborhoods experience the brunt of Seattle's rapid growth more acutely and carry a greater burden in trying to keep their businesses thriving in today's economy. Inadequate access to capital remains the most important factor limiting the establishment, expansion, and growth of small businesses. We will achieve maximum impact in these neighborhoods because these are the areas where small businesses have the greatest need.

Example neighborhoods include (but are not limited to) South Park, Central Area, Rainier Beach and the International District.

- **Use of Funds:** Grant funds will be awarded as working capital that may only be used to cover operating expenses such as covering payroll, rent, and other unexpected losses due to the COVID-19. Working capital is defined as the capital of a business that is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

**Grant Amounts:** Grants will be awarded in an amount up to \$10,000.

## Timeline

Due to the rapid spread of COVID-19, OED believes grants awarded in the near term will be critical to support the stabilization of small businesses. Accordingly, the application process will open on March 13, 2020.

## Funding Criteria and Score Sheet

Criteria	Description	Yes/No
Microenterprise	The business should consist of 5 employees or less.	
80% Median Income	The business owner must have an income at or below 80% Area Median Income*	
COVID-19 Affected	The business has suffered a loss of income due to COVID-19	
High displacement neighborhood (preferred but not necessary)	The business is located in a high displacement risk area identified in the City's 2035 Growth and Equity Report.	

*	80% Area Median Income - Seattle-Bellevue-Tacoma MSA							
# people in household	1	2	3	4	5	6	7	8
household income	\$61,800	\$70,600	\$79,450	\$88,250	\$95,350	\$102,400	\$109,450	\$116,500

## Funding Process

- Outreach & Engagement:** The OED Small business development team will conduct outreach to small businesses in Seattle, prioritizing high risk of displacement neighborhoods identified by the Equitable Development Initiative (EDI). Neighborhood business organizations will be engaged to provide support in identifying possible candidates. OED will also advertise on our website and social media.
- Application:** Applications will be accepted on a rolling basis and will be accessible on the OED website. The OED Small Business Development team will encourage business owners to apply and assists those who need support in filling out the application.
- Initial Review:** OED staff will conduct an initial review of applications to determine eligibility according to the established criteria.
- Financial Review:** Applicant shall provide relevant financial information in order to qualify for a grant. If applicant is unable to produce a the necessary documents, they may be paired with an OED provided financial consultant for assistance.
- Final Review & Selection:** Once the necessary information is received and the business meets all criteria, OED will award grants, with priority given to microbusinesses located in high displacement risk areas.
- Award:** Recipients receive award in the form of a check.
- Feedback:** Recipients will agree to participate in a survey 3 months after receiving award to assess financial health of the business and need for additional support.

## Frequently Asked Questions

1. **What are the eligibility requirements?** Businesses must meet the following requirements to be eligible to apply: (1) the business owner must have low- or median income ( $\leq 80\%$  of the Area Median Income); (2) the business must have 5 or fewer employees, including the owner(s); (3) the business must have a brick and mortar store; and (4) The business must have experienced a loss of income due to COVID-19. Candidates must meet the criteria and agree to share financials.
2. **What businesses are NOT eligible to apply?** Businesses that are franchises, chains, or restricted to patrons above the age of 18 will not be eligible for award.
3. **Up to what amount of money can a business apply for?** Grants will be awarded in an amount up to \$10,000.
4. **What can the grant be used for?** Grant money may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business such as covering payroll and rent.
5. **When must applications be submitted?** Applications will be accepted on a rolling basis until all available grant money is awarded.
6. **Where must businesses be located to be eligible to apply?** The program will be available to all citywide businesses meeting the eligibility requirements.
7. **Why must I agree to share financials and what does the final review consist of?** Federal regulations require that the business provide proof of loss of revenue due to a destabilizing event.

## Small Business Stabilization Grant Application

Name of Business: \_\_\_\_\_ Type of Business: \_\_\_\_\_

### Owner Details

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Property Owner: \_\_\_\_\_

### Business Owner Mailing Address

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

### Business Street Address

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

### Funding Criteria

Does your business employ 5 or less people? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the business owner at or below 80% of the median income? Yes \_\_\_\_\_ No \_\_\_\_\_

Has your business been affected by COVID-19? Yes \_\_\_\_\_ No \_\_\_\_\_

### Estimated Adverse Economic Impact

When did the impact start and what is the estimated end date? From \_\_\_\_\_ To: \_\_\_\_\_

What were your businesses' revenues during the affected damage period? \_\_\_\_\_

What were your businesses' revenues during that SAME period of the prior year? \_\_\_\_\_

Please provide a brief explanation of what adverse economic effects COVID-19 had on your business:

How many people did you employ prior to COVID-19? \_\_\_\_\_

How many people did you employ after COVID-19? \_\_\_\_\_

Form Completed By: \_\_\_\_\_ Title: \_\_\_\_\_