

Proposed Business Stabilization Grant Funds

to be administered by Working Solutions CDFI under the direction of the Sonoma County Economic Development Board

Program Description:

The Sonoma County Business Stabilization Grant Fund (Fund) is intended to serve as a local safety net for Sonoma County businesses during extended phases of the COVID-19 pandemic. The objective of the Fund is to provide financial assistance necessary for local small and micro-businesses, which were not well positioned to take advantage of federal CARES act funding. Goals of the Fund include mitigation of closure-related damages, retention of employees, coverage of fixed costs and other expenses necessary to avoid permanent closure.

Grant Criteria/Eligibility:

To maximize the impact of one-time funding and ensure that important policy and social goals can be achieved, the fund will consider the following underwriting criteria as a priority:

1. Businesses that have been directly impacted (closed, non-essential) by health orders; and/or
2. Businesses operated/owned by historically underserved groups/populations

In addition, businesses shall meet the following criteria:

1. Have at least one, but no more than 30 employees
2. Be verified as locally-owned and operated
3. Have gross receipts of \$1 million or less for the previous taxable year; and
4. Demonstrate impact to normal operations as a result of closure or modified services

Grant Details and Funding:

Though likely to be fully subscribed at any level, if capitalized by \$1.5 million in CARES Act funding, the fund would serve critical needs for several hundred local businesses, depending on funding tiers and administrative costs. *The following is an estimate based on 10% administration costs for the first \$650,000 deployed, and 5.5% thereafter.*

Capital	Three-tier Awards				Two-tier Awards		
	\$1.5 Million				\$1.5 Million		
Employees	Tier 1 1-10	Tier 2 11-20	Tier 3 21-30		Tier 1 1-10	Tier 2 11-30	
Grant Tiers	\$2,500	\$5,000	\$10,000		\$5,000	\$10,000	
Total Grantees	59	76	87	222	91	94	185
Total \$	\$147,500	\$380,000	\$870,000	\$1,397,500	\$45,000	\$940,000	\$1,395,000
Remaining Capital				\$119			\$2,619

Examples of allowable uses*:

1. Payroll
2. Rent, mortgage

3. utility or other operating expenses
4. Fixtures and other non-construction site modifications needed to satisfy COVID-19 distancing and mitigation requirements

**funds may not be used for construction of building improvements*

Need:

As part of a broader impact survey by the EDB, participants reported significant declines in revenue during the June-July 2020 period.

Average decrease in revenue, by industry:

Agriculture – 25%

Manufacturing – 20%

Retail – 18%

Transp/Warehousing – 45%

Arts, Entertainment, Rec. – 57%

Accommodation, Food Svc. – 62%

Administration and Management:

Given the resources necessary to effectively launch this campaign, as well as those necessary to expend the funds on the required timeline, EDB staff has approached a regional Community Development Finance Institution (CDFI), which has also deployed similar programs in San Francisco and Oakland.

Working Solutions CDFI, with which the EDB has partnered in providing over \$2.7 million in microloans to Sonoma County businesses, has proposed to provide the following:

1. Assistance in refining grant funding criteria
2. A dedicated website and online application structure
3. Review, processing and disbursement of grant funds
4. Periodic reporting on grant impact
5. Technical assistance as needed for businesses to survive and rebuild post-pandemic
6. Handling of tax forms and reporting for business tax purposes

Administrative costs are anticipated to be 10% for the first \$650,000 in funding deployed, and 5.5% thereafter.

Next Steps and Anticipated Timeline:

- EDB staff will move forward on a proposal that has been continuously refined since the beginning of the pandemic, leveraging the capability of a CDFI for the swiftest possible return to local businesses.
- Application and outreach development: Underway
- Application open date: Sept. 8, 2020
- Application closure date: Oct. 15, 2020
- Grant implementation and disbursement: Oct. 30-Dec. 30, 2020

Scope of Work*Outreach and Engagement Component:*

Overview: On The Move will partner with community and organizational subject matter experts to develop and implement a large-scale outreach and education campaign focusing on the farmworker population, the laborer population, and the domestic worker population. Partner agencies will deploy staff and volunteers focused on providing up to date information, COVID-19 mitigation information, isolation and quarantine information and connection to health care providers.

Anticipated Outcomes:

- Increased targeted and directed education and outreach to farmworkers, local laborers, and other Latinx and indigenous language-speaking communities related to the prevention of spread of COVID-19 and mitigation strategies for those diagnosed with the virus.
- Increased access to necessary PPE for farmworkers and other high-risk workers
- Increase in individuals connection to a medical home
- Increased COVID testing, supported by testing incentives

Anticipated Number of People Reached: 1,200 individuals

Case Management Component:

Overview: On The Move will partner with local Family Resource Centers throughout Sonoma County to offer case management and emergency financial assistance to vulnerable Latinx and indigenous language-speaking community members. FRCs will provide comprehensive, coordinated, individualized, and culturally responsive case management services to connect families to housing, healthcare, food assistance, and other programs and services that support their health and well-being in order to minimize the spread of COVID. Additionally, FRCs will address the basic needs of Latinx and indigenous language-speaking individuals affected by COVID-19 by connecting case management clients to private philanthropic funds for emergency financial assistance (up to \$1200).

Anticipated Outcomes:

- Increased connection to local Family Resource Center and increased enrollment in wraparound support programs (i.e. employment programs, education programs, mental health support, etc.)
- Increased Emergency Financial Assistance payment (through private philanthropic funds) to support costs during quarantine (up to \$1,200)

Anticipated Number of People Served: 600 individuals

Summary of Project Impacts:

- Increased targeted and directed education related to the prevention of spread of COVID-19 and mitigation strategies for those diagnosed with the virus.
- Increased access to necessary PPE for farmworkers and other high-risk workers

- Increase in individuals connection to a medical home
- Increased COVID testing, supported by testing incentives
- Increased connection to local Family Resource Center and increased enrollment in wraparound support programs (i.e. employment programs, education programs, mental health support, etc.)
- Increased Emergency Financial Assistance payment to support costs during quarantine (up to \$1,200)

Project Budget

Total Project Budget: \$2,250,000

Sonoma County Contribution: \$1,500,000

Community Foundation Sonoma County Contribution: \$750,000

Partners & Roles

Partner	Role	Budget
On The Move	Project Lead: Coordination including project oversight, resource navigation, data tracking & evaluation	\$211,915
LEAP Solutions	Project Support: Evaluation plan development & Draft “recommendations” document focusing on potential long-term system changes that are necessary to promote racial equity during disasters	\$20,000
Humanidad	Project Support: Clinical Support to Project/ Case Mangers (reduce vicarious trauma)	\$29,458
Botanical Bus	Outreach & Engagement: Use of Herbal Mobile Clinic – outreach to farmworkers	\$38,772
Lideres Campinas	Outreach & Engagement: Outreach to farmworkers/ domestic workers	\$65,175
Nuestra Comunidad	Outreach & Engagement: Outreach to farmworkers/ domestic workers	\$42,240
Charla Project	Outreach & Engagement: Outreach to farmworkers/ domestic workers. Coordination with volunteer medical personnel to do targeted education.	\$70,338
Latino Service Providers	Outreach & Engagement: Outreach to high-risk Latinx populations	\$16,430
Undocufund	Case Management/EFA: Referral agency & provides emergency financial assistance to undocumented individuals	\$48,180
IsoCare	Case Management/EFA: Targeted support for medically fragile individuals that are instructed to quarantine/isolate	\$106,112

River to Coast Children's Services	Case Management/EFA: Wraparound case management & provision of emergency financial support.	\$27,698
McDowell Family Resource Center	Case Management/EFA: Wraparound case management & provision of emergency financial support.	\$47,543
La Luz	Case Management/EFA: Wraparound case management & provision of emergency financial support.	\$112,470
Corazon Healdsburg	Case Management/EFA: Wraparound case management & provision of emergency financial support.	\$122,841
Via Esperanza	Case Management/EFA: Wraparound case management & provision of emergency financial support.	\$112,240
To Be Determined	Other Contract Needs, i.e. for food or mental health services	\$328,588
TOTAL		\$1,500,000

Proposed Emergency Rental Assistance Program

To be administered by the local Community-Based Organization(s) via the Community Development Commission

Program Summary

In order to assist low-income tenants impacted by COVID-19 and low-income landlords affected by the state's prohibition of eviction proceedings currently, the Community Development Commission will utilize the Coronavirus Aid Relief and Economic Security (CARES) Act Funds, to release Request for Proposals (RFP) for the administration of a short-term emergency rental assistance program through December 30, 2020. The Community Development also issue a Notice of Funding Availability (NOFA) with Community Development Block Grant Funds (CDBG) that will extend the program through 2023.

There are currently 430 families on the Rental Assistance waiting lists a result of job loss or reduction in hours due to COVID-19. Due to these economic hardships these families cannot make their rent and/or mortgage and utility payments. Household vulnerabilities include seniors over the age of 65, disabled individuals with access and functional needs, undocumented individuals who are disproportionately impacted, as well as single heads of households. There are approximately 15,000 low-income landlords in this category county-wide. These low-income landlords are "mom and pop" establishments and rely on this rental income for their livelihood. Without adequate rental streams, most are unable to pay their property related expenses such as taxes, mortgage, and maintenance. Legal Aid reported that landlords experience difficulty in accessing forbearance programs and some report applying and may not know for months whether they qualify or not causing them to fall further behind in payments. The design of this program will be coordinated with the Eviction Defense Ordinance to ensure that low-income tenants are protected in order to keep them housed and impacts to low-income landlords are minimized.

Eligibility Guidelines

Both public and private non-profit organizations will be eligible to apply. The selected Contractor(s) will be expected to demonstrate that they can provide fast and direct financial assistance and are ready to immediately commence the work at hand without extensive ramp-up time. Contractor(s) will conduct a robust outreach plan and screen applicants for eligibility in accordance with program and funding requirements. The provision of additional wraparound support in the areas of income, employment, living conditions, access to food, transportation, and medical care, among others, will be encouraged but not required. Contractors with significant experience in providing rental assistance will be encouraged to submit a proposal.

Grant Details

With \$1.5 million in CRF and \$887,000 in CDBG set aside for the emergency rental assistance grant program, it is anticipated that up to 350 low-income households will be served with the CARES Act and Community Development Block Grant funds after 20% program delivery costs are accounted for. The program will provide up to a maximum of \$6,000 to cover utility bills and rental assistance with CARES Act Funding ending December 30, 2020 and CDBG Funding continuing through 2023 to qualifying

**Sonoma County – CARES Act Expenditure Plan
Rental Assistance Program Overview
September 1, 2020**

Attachment D

households. Rental assistance may include past due utility bills and rent in arrears starting March 1, 2020.

In order to be eligible for assistance, households will be required to meet the following conditions:

1. Be low-income, as defined as 80% of Area Median Income (AMI); and
2. Be a tenant unable to pay their rent and/or utility bills OR a landlord not receiving rent as a result of the COVID-19 public health emergency.

Proposed Timeline

September 2, 2020	Notice of Funding Availability Released
September 9, 2020	Applications Due by 11:59 pm
September 10-11, 2020	County Staff Review and score proposals
September 16, 2020, 10:30am	So Co Community Development Committee Meeting to Determine Funding Recommendation
September 23, 2020	Contract Start Date
December 30, 2020	CARES Act All Funding Expended