



Representative  
Karen Bass



THE  
**NEW9<sup>th</sup>**  
COUNCILMEMBER  
CURREN D. PRICE, JR.



**LLSC LA**



# Funding updates for small business owners in Congresswoman Karen Bass' 37th District

May 7, 2020



## Housekeeping!

- This webinar is being recorded.
- If you are having issues with audio, there is a link above the “Chat” tab for help.
- You may need to click on the webinar screen to enable audio.
- Place your questions in the “Question” section on the right. Folks can upvote your questions.
- Questions will be answered at the end.



Chat

Questions

Polls

People

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# Opening Remarks



**John Arensmeyer**  
Founder & CEO  
Small Business Majority



# Opening Remarks



**Representative Karen Bass**  
37th Congressional District



# Opening Remarks



**Councilmember Curren D. Price**  
City of Los Angeles, 9<sup>th</sup> District

## City of Los Angeles Small Business Loan Program

\$5,000 to \$20,000 with **NO INTEREST** for a term of up to 18 months, with payments deferred for up to 6 months. It also provides the option of an interest rate of 3% (2% for nonprofits) for a term of up to 5 years with repayment deferred for up to 12 months. Applications are still being accepted.

To apply, please visit [lamayor.org/loan](http://lamayor.org/loan) or for more information [EmergencyLoans@lacity.org](mailto:EmergencyLoans@lacity.org)

## Commercial Tenant Protections

Commercial Tenants have 3 months from when the orders are lifted to pay back rent. Council is currently looking at extending that to 6 months.

## City of Los Angeles Policy Guide

Please visit the City of Los Angeles Economic Workforce Development Department at <https://ewddlacity.com/> You will also find resources for your employees here and other relevant information.

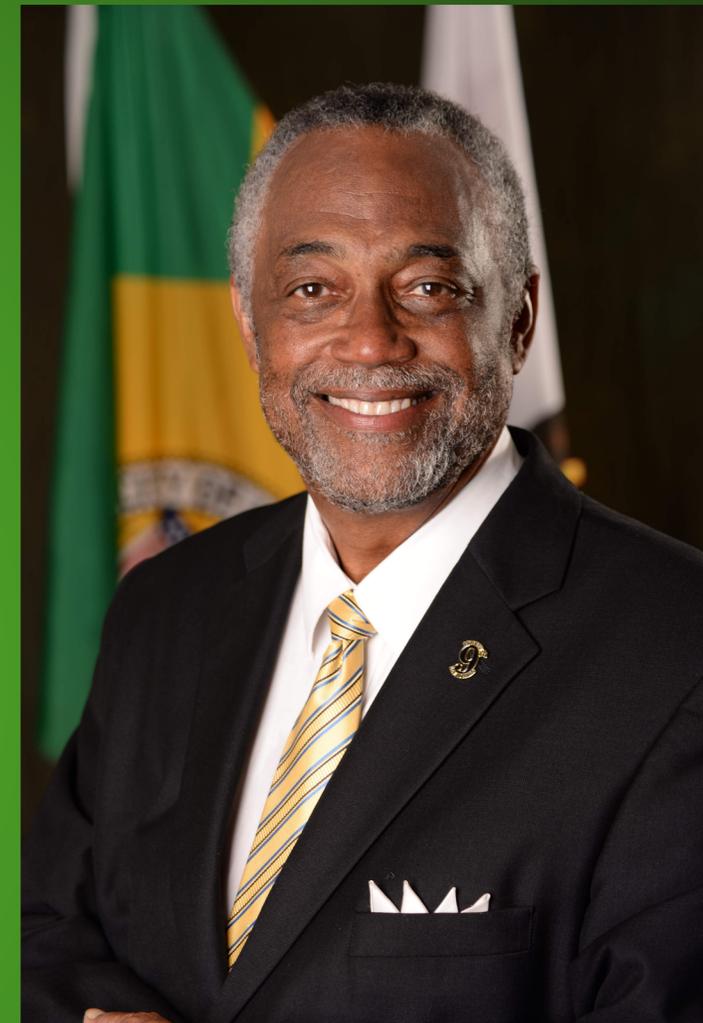
## COVID -19 Testing Sites and Registration

Please visit [corona-virus.la](http://corona-virus.la) to register for testing. Free and open to ALL LA County residents.

## Business Resource Center in CD 9

Please contact Mike Castillo at (323) 846-2651 or at [Mike.Castillo@lacity.org](mailto:Mike.Castillo@lacity.org)

Please visit the “**Biz Resources**” tab on my website at [www.the-new-ninth.com](http://www.the-new-ninth.com)



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CURREN D. PRICE, JR.

**BUSINESS RESOURCE CENTER**



Victor Parker

*District Director, Los Angeles District*

**U.S. Small Business Administration**



Tunua Thrash-Ntuk

*Executive Director*

**Local Initiatives Service Corp. LA (LISC LA)**

# LISC LOS ANGELES

**TUNUA THRASH-NTUK**

Executive Director

**Email:** LALISC@lisc.org

**Tel:** 213-250-9550

**Website:** [www.lisc.org/los-angeles](http://www.lisc.org/los-angeles)

**Twitter:** @LISC\_LA



# SUPPORTING SMALL BUSINESSES DURING COVID-19

A TOOLKIT FOR LOCAL  
GOVERNMENTS

# MISSION

WITH RESIDENTS AND PARTNERS, LISC FORGES RESILIENT AND INCLUSIVE COMMUNITIES OF OPPORTUNITY ACROSS AMERICA -- TO CREATE GREAT PLACES TO LIVE, WORK, VISIT, DO BUSINESS AND RAISE A FAMILY.

**LISC** LOS ANGELES

# LISC LA 2019 Impact

\$31M Affordable Housing Lending

\$1.6M Economic Development and  
Small Business Lending

\$870K Grants Deployed to 19  
organizations

412 New Units of Affordable  
Housing

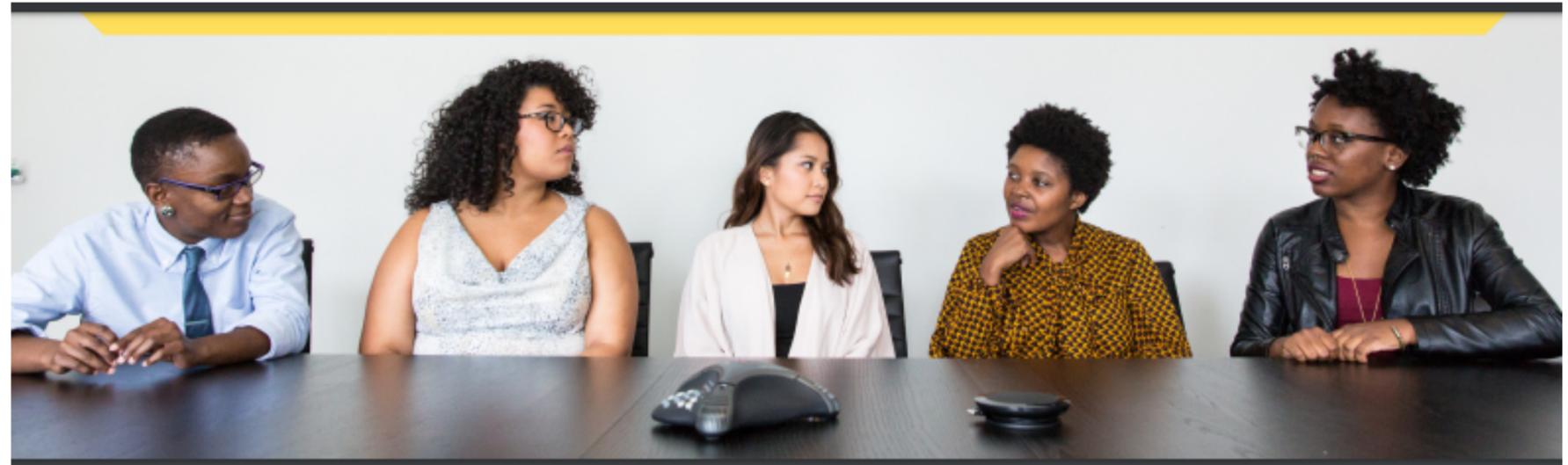
270 Individuals supported through  
trainings and capacity building



## Supporting Small Businesses During COVID-19: A Toolkit for Local Governments

We offer our partnership to local cities as they aim to remake small business ecosystems in unprecedented times.

[OPEN TOOLKIT](#)



# A TOOLKIT TO SUPPORT YOUR SMALL BUSINESS COMMUNITY

## 2 Provide business assistance

Now more than ever, businesses need in-depth technical assistance. To the extent possible, we recommend providing virtual one-on-one meetings with businesses on how to navigate through this time. Topics to discuss include managing cash flow, applying for low-cost capital, keeping the workforce safe, and creative customer retention strategies. See resources below for additional guidance on technical assistance areas to address with your businesses.

<https://www.lisc.org/los-angeles/covid-19-response/>

LISC LA



**KEEPING OUR SHOPS ON THE BLOCK**  
**KEEPING NUESTROS SHOPS ON THE BLOCK**

**KEEPING 我們的 SHOPS ON THE BLOCK**

**KEEPING 우리의 SHOPS ON THE BLOCK**

**KEEPING හමුදා SHOPS ON THE BLOCK**

**KEEPING 我們的 SHOPS ON THE BLOCK**

**KEEPING 私たちの SHOPS ON THE BLOCK**

<https://www.lisc.org/los-angeles/covid-19-response/keeping-our-shops/>

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Funded By:



## Keeping Our Shops on the Block During COVID-19: Resources for Small Businesses

We know that COVID-19 has had a devastating impact on many small businesses in our community. In a world where social distancing is the new norm, we encourage you to think outside the box, pivot your businesses plans, and develop new strategies to serve your clients. Most importantly we hope you stay connected to your community your neighbors, customers, and fellow businesses owners- we are all in this together!

OPEN TOOLKIT

<https://www.lisc.org/los-angeles/covid-19-response/keeping-our-shops/>

LISC LA

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Funded By:



# HOW TO USE THE GUIDE

We know that COVID-19 has had a devastating impact on many small businesses in our community. In a world where social distancing is the new norm, we encourage you to think outside the box, pivot your businesses plans, and develop new strategies to serve your clients. Most importantly we hope you stay connected to your community- your neighbors, customers, and fellow businesses owners- we are all in this together!

At LISC LA, we've talked to business owners in our neighborhoods, brainstormed with partners, and scoured the internet to put together this guide that provides key learnings in 5 categories and links to local resources to help you get through these tough times.

- 1** MANAGING CASH FLOW + DIVERSIFYING REVENUE
- 2** MARKETING DURING COVID-19
- 3** EMPLOYER + EMPLOYEE BENEFITS
- 4** NEW POLICIES THAT AFFECT YOUR BUSINESS
- 5** COVID-19 LOANS + GRANTS

LISC LA

KEEPING OUR SHOPS ON THE BLOCK  
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KEEPING 我們的 SHOPS ON THE BLOCK



Funded By:



■ Grants

- [Red Backpack Fund for Women Owned Businesses](#)
- [Facebook Small Business Boost Program](#)
- [LISC Verizon Small Business Recovery Fund](#)
- [Salesforce Care for Small Businesses](#)

<https://www.lisc.org/los-angeles/covid-19-response/keeping-our-shops/>

# KIVA. A crowd funding platform



# LISC Match Fund – How it works



LISC matches incremental loan amounts 1:1 as they are made to a Kiva borrower (i.e. When an individual Kiva lender contributes \$25 towards a Kiva campaign, LISC contributes an additional \$25 to the loan)

**NOTE:** A borrower must reach the campaign loan goal to access the loan funds and must be endorsed by a registered LISC Trustee.



← COVID-19 RESPONSE

## SBA Paycheck Protection Program

LISC is now accepting applications for **MWBEs, VBEs and nonprofits in our service area**. At this time we cannot accept applications for organizations engaged in real estate development. To apply, complete our online survey.

<https://www.lisc.org/los-angeles/covid-19-response/>

# LISC LOS ANGELES

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Patrick Nye

*Regional Director*

**Small Business Development Center-LA Network**

# Los Angeles Regional SBDC Network - Resources

LA SBDC provides no-cost expert advising for small businesses:

[SmallBizLA.org](http://SmallBizLA.org) - 866-588-SBDC (7232)



Daily SBDC Q&A webinar on navigating resources: <https://smallbizla.org/covid19/>

CA EDD: [https://edd.ca.gov/about\\_edd/coronavirus-2019/pandemic-unemployment-assistance.htm](https://edd.ca.gov/about_edd/coronavirus-2019/pandemic-unemployment-assistance.htm)

SBA Loans: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

SBA EIDL Loan Status/Assistance: [corey.Williams@sba.gov](mailto:corey.Williams@sba.gov) – SBA Customer Service: 800-659-2955

CA State Emergency Loan Guarantee: <https://www.ibank.ca.gov/>

CA Dept. of Insurance: <http://www.insurance.ca.gov/01-consumers/140-catastrophes/Coronavirus.cfm> - 800-927-4357



Funded in part through a cooperative agreement with the U.S. Small Business Administration.



Funded in part through a Grant with the Governor's Office of Business and Economic Development.





## Topics of discussion

- Comparison of Payroll Protection Program (PPP) and Economic Injury Disaster Loan (EIDL)
- SBA Loan Relief and Express Bridge Program
- Pandemic Unemployment Assistance (PUA)

## Economic Injury Disaster Loan (EIDL) vs. Paycheck Protection Program (PPP)

### Key takeaways

#### Paycheck Protection Program

- \$10 million cap
- Sizable portion forgiven for maintaining payroll
- Max 1% over 2 years
- 2.5 months for payroll, etc.
- No collateral or personal guarantee
- The requirement that an applicant must have been in business for one year is waived

#### Economic Injury Disaster Loan

- \$2 million cap
- Up to \$10k grant, available in 3 days
- 3.75% at 30 years (2.75% for nonprofits)
- No collateral
- The requirement that an applicant must have been in business for one year is waived

#### Resources:

- **Venturize.org**
- Find an SBA approved-lender near you: [www.sba.gov/lendermatch](http://www.sba.gov/lendermatch)
- Partners: SCORE, Women's Business Centers, SBDCs

Loan forgiveness, tax credit and express loans

## SBA Loan Relief Program

### **SBA debt relief efforts:**

- The SBA will automatically pay the principal, interest and fees of current 7(a), 504 and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest and fees of new 7(a), 504 and microloans issued prior to September 27, 2020.



Loan forgiveness, tax credit and express loans

## Express Bridge Loan Pilot Program

- If your business already has a relationship with an SBA Express Lender, you may be able to access up to \$25,000 in loans quickly.
- It is meant to bridge the capital gap while applying for Economic Injury Disaster loans (EIDL).
- This loan will be repaid at least in part if not in full by your EIDL loan once you receive it.

## Access to Capital

### Sources of funding



Family & friends	Personal savings	Microloans
Personal & Business credit cards	Home equity	Community banks & Credit unions
Venture capital	Equipment financing	Merchant cash advance
Angel investors	Receivables & Purchase order financing	Online cash flow lenders
Economic dev't agencies	Bank loans	Online marketplace lenders
Start up programs, bus. plan competitions	SBA loans (guarantee)	Crowdfunding: Reward & Equity
Grants	Community dev't loan funds (CDFI)	Incubators & accelerators

## Community development financial institutions

- **Community development financial institutions (CDFIs)** offer loans (usually less than \$250k) for entrepreneurs who are typically ineligible for traditional bank loans; may be used for wide range of business purposes
- CDFIs are dedicated to responsible affordable lending to **underserved** entrepreneurs and **low-income** communities
  - Revolving loan funds through private and gov't funding
  - Often provide **in-depth support** that includes mentoring and technical assistance
  - Many CDFIs offer **microloan** programs, loans less than \$50K



# CDFIs in Los Angeles



**Vermont Slauson EDC**

(323) 753-2335



**Opportunity Fund**

(866) 299-8173



**PACE**

(213) 353-3982



Small Business Finance

**CDC Small Business Finance**

(800) 611-5170

## Resources:

- **Venturize.org**
- Find an SBA approved-lender near you: [www.sba.gov/lendermatch](http://www.sba.gov/lendermatch)
- Partners: SCORE, Women's Business Centers, SBDCs

**Community banks and credit unions** have long been key allies for small business

- Community banks: small, locally owned and operated
  - Primary focus on supporting small business
- Credit unions: nonprofit financial institutions
  - Clients must become members
  - Not all offer small business loans

### Small business loan approval rates in 2014

Big banks	20%
Community banks	50%
Credit unions	43%

- In crowdfunding, entrepreneurs **raise funds by reaching out to a large number of people (investors) through an online platform.**
  - Lots of **smaller sums of money** takes the place of one or two large investors
- Entrepreneurs **create an online campaign** about their venture/idea, indicate amount of money they're seeking, what it'll be used for, and what contributors (or investors) will get in return.
  - The best campaigns **inspire people to donate or invest.**
  - Reward vs. Equity crowdfunding

## Access to Capital

### Alternative online lenders

- A new breed of online lenders are innovating small business lending, expanding new options for entrepreneurs
  - Simple, streamlined application process
  - Quick approval and delivery of funds
  - Use of **technology** and new sources of **social data** to assess risk
  - Online lending is largely **unregulated** at this point
  - Typically higher interest rates than banks
- **Not all online lenders are equal** and some mask very high rates



**Small businesses must proceed with caution!**

Access to Capital

Online marketplace lenders



Online marketplace lenders (peer-to-peer) connect small businesses with institutional and individual investors

- Capital obtained via **term loan**, similar to traditional bank loan – **fixed, multi-year term, stated APR**
- Focused on transparency in pricing and overall process

## Access to Capital

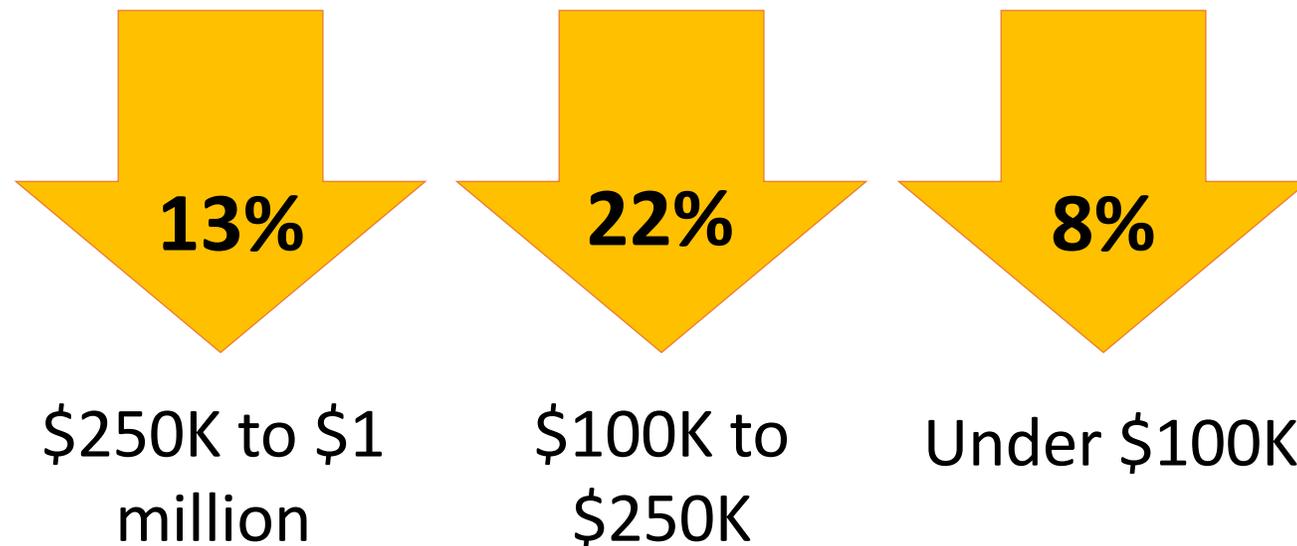
### Online cash flow lenders

- Online cash flow lenders generally offer **short-term** loans, typically used for **working capital**
  - Short-term (6-12 months); high interest (20-50%+)
  - Non-traditional underwriting algorithms incl. social, online data
- Loan payments are made by **daily deductions** of a fixed amount or percent of sales, rather than citing interest rate; **require access** to business bank account or payment systems
- Be cautious of **opaque pricing**, high interest rates

## Access to Capital

### Predatory lending – a growing problem

Since the recession, there has been a **steady decline in small business bank lending.**



- Alternative lenders have stepped in to fill the void through high-cost, short term online funding options (approx. \$3 billion). Operating in a largely unregulated space there has been an increase in predatory small business lending practices.
- Something had to be done to ensure transparency, fairness and accountability in small business financing.

## Small Business Borrowers' Bill of Rights

BE SURE TO ASK

- What is the interest rate (or other applicable rate like AIR, APR)?
- Are there any upfront fees? If so, where do they go?
- What are the payment amounts and frequency?
- Are there any prepayment penalties?
- What is the full cost of the loan over its lifetime?
- If refinancing, are fees being added to the existing principal?
- Is the lender imposing deadlines for accepting the loan offer?
- If going through a broker, are they fully disclosing their fees?



**ASK YOURSELF:** Have you fully assessed your business' financial situation and feel you can reasonably meet the payment terms?



## Topics of discussion

Unemployment insurance

- COVID-19 displaced workers

# Expansion to Unemployment Insurance

## Who gets it? Who can apply?

- **Who can apply?**

- Part-time workers; furloughed employees; anyone who can no longer physically go into work; self-employed; gig workers; independent contractors; freelancers; people who just started a job, but lost it due to COVID
- Anyone who lost their job starting on Jan. 27, 2020 because of COVID

- **How much and for long can I receive assistance?**

- State amount + \$600/week =total amount until July 31<sup>st</sup>
- After July 31<sup>st</sup>, you'll continue receiving your normal benefit amount administered by your state
- If your state benefit runs out, you can apply for a 13-week extension from the federal government
- If you're already on unemployment, you can apply for an extension



All verification for unemployment **is done online or via mail**. If someone calls you or HR staffer and asks for employee information on the phone **it is a scam**.



## Resources in Los Angeles



### **South Los Angeles WorkSource Center**

1512 W. Slauson Avenue

Los Angeles, CA 90047

(323) 730-7900

e. [info@letc.com](mailto:info@letc.com)



### **West Adams WorkSource Center**

2900 South Crenshaw Blvd.

Los Angeles, CA 90016

(323) 293-6284

**Both are open and have computers for public use including for Unemployment Insurance applications, call in advance.**



# Topics of discussion

Resources, tools and how to get involved



Resources, tools and how to get involved

# COVID-19 resource portal

Visit our online resource hub:

[www.smallbusinessmajority.org/covid-19-daily-updates-for-small-businesses](http://www.smallbusinessmajority.org/covid-19-daily-updates-for-small-businesses)

Find resources, links to upcoming webinars and policy updates surrounding the COVID-19 outbreak on our website.



Resources, tools and how to get involved

Venturize

Visit our online resource hub to find info on state and local emergency relief funds:

[www.venturize.org](http://www.venturize.org)

**Venturize.org** is a free online resource hub for small business owners like you who need help accessing tools and resources to grow their businesses. Venturize offers unbiased information about small business loans, retirement and healthcare.

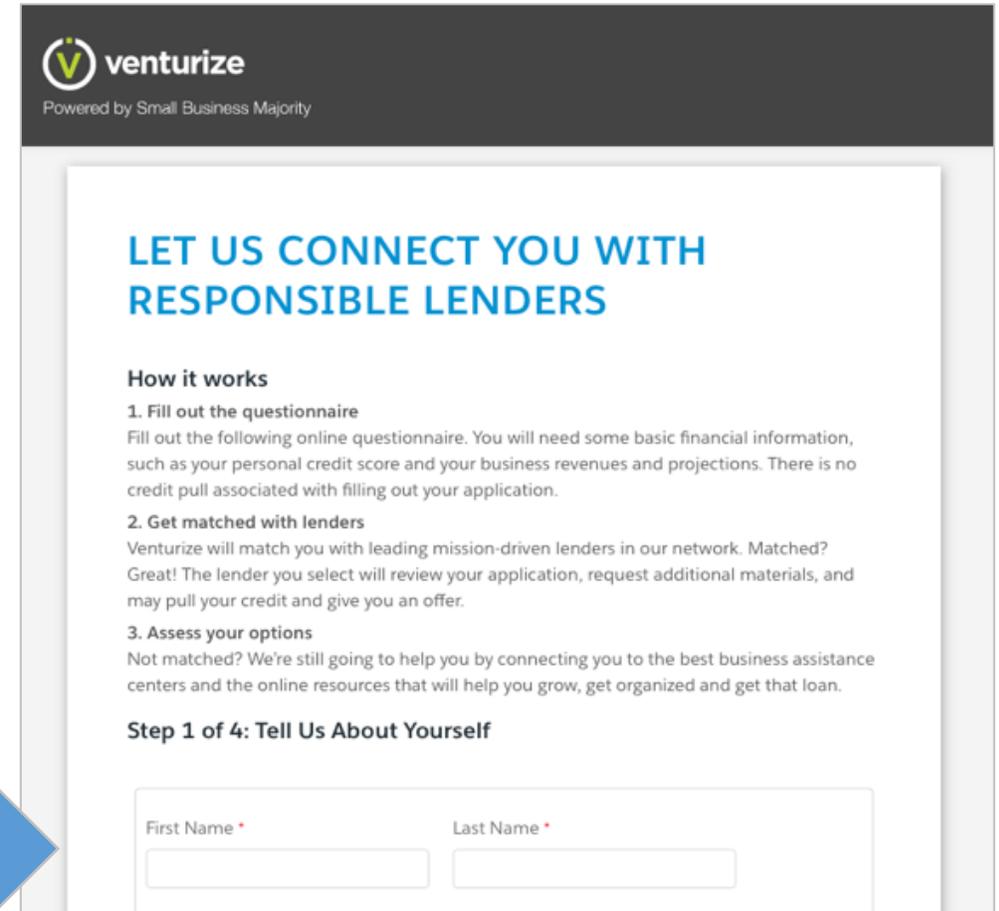


Resources, tools and how to get involved

## MatchFinder

- **For California businesses:** A short set of questions will connect **small businesses** to lenders that prioritize supporting small businesses and offer more affordable terms than many traditional financial institutions.
- All lenders are long-standing partners who share our mission: to ensure small businesses get affordable, responsible sources of capital to start, grow and sustain their enterprises.

[matchfinder.venturize.org](https://matchfinder.venturize.org)



The screenshot shows the MatchFinder website interface. At the top, there is a dark grey header with the Venturize logo (a green 'V' in a circle) and the text "venturize" and "Powered by Small Business Majority". Below the header, the main content area has a white background. The heading "LET US CONNECT YOU WITH RESPONSIBLE LENDERS" is displayed in blue. Underneath, the section "How it works" is followed by three numbered steps: 1. Fill out the questionnaire, 2. Get matched with lenders, and 3. Assess your options. At the bottom, the section "Step 1 of 4: Tell Us About Yourself" is shown, featuring two input fields for "First Name" and "Last Name", each with a red asterisk indicating a required field.

Resources, tools and how to get involved

## Become a small business spokesperson

- We're dedicated to ensuring that lawmakers and the media hear from real small business owners about how they're being impacted by COVID-19.
- Join our [sign on](#) campaign and call on **Congress to bail out Main Street.**
- Share your story about how COVID-19 has impacted your business by filling out our [online form](#).





# Stay in touch

## Online Community Forum

[community.smallbusinessmajority.org](http://community.smallbusinessmajority.org)

## Join our Mailing List

<http://go.smallbusinessmajority.org/l/229072/2017-05-24/ftp2>

## Small Business Majority

[www.smallbusinessmajority.org](http://www.smallbusinessmajority.org)

## Venturize Access to Capital Resource Portal

[www.venturize.org/access-capital](http://www.venturize.org/access-capital)

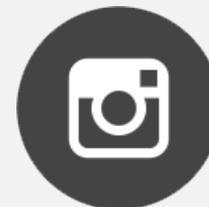
## Connect with us!



Small Business Majority



@SmlBizMajority



smlbizmajority