

Summary of the Technical Assistance WGO

December 15, 2020

Thank you to Tracy Stanhoff with American Indian Chamber of Commerce in California for facilitating this important discussion and to Bianca Blomquist for helping JEDE to take notes.

Information from this meeting will be integrated within the summaries of issues and recommendations relating to technical assistance. There will be an update at the January 21, 2021, JEDE Small Business Roundtable.

Are we missing something or does this summary spark additional ideas? If so, share corrections and additional information (with web links) to toni.symonds@asm.ca.gov.

Findings, Issues, and Opportunities and Challenges that Need to Be Addressed

- TA is extremely important right now. There is a concern that small businesses may be receiving bad advice from unscrupulous entities. This makes the role of the SBDCs, WBCs, VBOC, MBDCs, PTACs, and the MEP, more important than ever.
- PUA is an important source of revenue to nonemployer firms. The lack of geographic and demographic data about who has applied and who is receiving these funds is a big problem. The Women's Business Centers Network and CAMEO partnered with Bay Area legal aid to provide online application assistance. While this initiative was useful, more needs to be done.
- Nancy Swift with JEDI and the Women's Business Center Network shared information about their [virtual Women Entrepreneurship Month](#) event, which featured Senate Pro Dem Toni Atkins and was moderated by CA Small Business Advocate, Isabel Guzman. She also raised and discussed a number of issues.
 - How do we create culturally appropriate technical assistance services
 - How can we take advantage of a resurgence in partnerships
 - WBCs are seeing a lot of interest from people who want to start new businesses. Percentage is higher now than pre-pandemic.
- Bianca Blomquist with Small Business Majority noted that there are a number of reports that have analyzed the value of entrepreneurship and the jobs that these new businesses create. How can we make sure these new businesses have access to the programs that already exist? It can be a win-win by helping these businesses create quality jobs for themselves and their future workforce.
- Mike Daniel with the Orange and IE Small Business Development Lead Center shared their work on (1) helping small businesses with lease re-negotiations and (2) working with cities and counties to deploy small business grants using CARES Act and other funds. Grants are essential for businesses that do not otherwise qualify for loans.
- Scott R. and Chris Holden with Northern California SBDC [shared a video](#) on their [Inclusivity Project](#) to reach 1,000 Black business-owners in need of capital, including the start-up of 100 new Black-owned businesses.
- Child care is a fundamental resource for the self employed. Child care providers need to be part of the COVID-19 response.
- Colette Moore with Pacific Coast Regional, in LA we are seeing issues related to access to funding, leasing negotiations, and start-ups.
- Heidi Pickman with CAMEO shared that a frequent business model for artisans is to own a warehouse, do live-work or shared shops and that's how they make a living.

- Lease Issues: A number of participants discussed the need to support small businesses in renegotiating leases and the challenges of unpaid rents.
 - SB 939 introduced last year but dropped to trigger renegotiation between commercial leasers and small landlords
 - CAMEO noted that many landlords are also small businesses.
- Include findings from *Coronavirus Compounds Challenges for Low-Income Communities and Communities of Color*. https://www.frbsf.org/our-district/about/sf-fed-blog/covid19-coronavirus-low-income-disproportionate-impact-communities-color/?utm_source=verticalresponse&utm_medium=email&utm_campaign=frs-cd-pulse-survey

Recommendations to Support Access to Capital

- Eugene Cornelius, Milken Institute, discussed their recommendation on mapping the financial ecosystem. There is currently no single place to find information on available capital and technical assistance. The state needs a comprehensive and current source of this information. Eugene Cornelius is writing this recommendation up; need to review the PLUM initiative. <https://milkeninstitute.org/sites/default/files/reports-pdf/PLUM-Capstone-Report.pdf>
 - Mapping all sources of capital for small businesses (i.e. grants, private equity, loans) on state, county and city level
 - Need partnerships for lending to underserved markets
 - How can we streamline TA resources? SCORE vs. SBDC
 - Small employers are going to the chambers first – need to ensure they are part of the network
 - Level the playing field for technical assistance providers by certifying them
- Susan Lovenburg, California Forward, is working on its post-Economic Summit *Roadmap to Shared Prosperity*, which should be available in January 2021. The *Roadmap* is intended to serve as a plan for collective action. This will include recommendations of the Investing in Small Businesses Owned by People of Color Work Group led by Isabel Guzman at the California Economic Summit. <https://cafwd.box.com/s/a0lly9pp6ugoqwtj6r8fi5nn4txjh1by>
- Manie Grewal, RDEF, asked whether the capital programs were including social enterprises and, if not, that nonprofits and social enterprises should be included.
 - Link to RDEF's federal recommendations: <https://redf.org/wp-content/uploads/REDF-2021-National-Policy-Recommendations.pdf>
 - Link to the RDEF Accelerator - a unique, hands-on program designed to support and connect the leaders of these businesses: <https://redf.org/what-we-do/redf-accelerator/>
 - How to employ hard to employ populations (e.g., formerly incarcerated)
 - How to scale CDFIs
 - How to ensure SSBCI funds (federal)
 - How to ensure social enterprise orgs. can access CA Rebuilding Fund
- Need to review California Reinvestment Coalition's *Strategic Plan: A Vision We Can Believe In* and track recommendations. <https://calreinvest.org/strategic-plan/>
- Need to review National Employment Law Project's *Unemployment Insurance During COVID-19: The CARES Act and Role of UI During the Pandemic* and track recommendations. <https://www.nelp.org/publication/unemployment-insurance-covid-19-cares-act-role-ui-pandemic/>
 - The California Roadmap for Fiduciary Duty, Principles for Responsible Investment: <https://www.law.berkeley.edu/wp-content/uploads/2020/09/California-Roadmap-Fiduciary-Duty-Sept-2020.pdf>
- Recommendations from a variety of small business service providers based on their experience:
 - Provide grants for businesses that not otherwise qualify for loans.

- Provide practical support to small business owners in commercial lease spaces
- Must have culturally appropriate technical assistance services
- Must address the dilemma of helping the self-employed with PUA
- Need support for child care providers – very essential for at-home and out-of-the home essential workers
- Need help for people who want to start a new business.
- Summary List of Reports and Initiatives for WGO in Access to Capital:
 - 2021 National Policy Recommendations, REDF: <https://redf.org/wp-content/uploads/REDF-2021-National-Policy-Recommendations.pdf>
 - CA Economic Summit Play Book: <https://cafwd.org/resources/2020-california-economic-summit-playbook/>
 - *First Steps toward Recovery: Saving Small Businesses*, Little Hoover Commission: <https://lhc.ca.gov/report/first-steps-toward-recovery-saving-small-businesses>
 - *The California Roadmap for Fiduciary Duty, Principles for Responsible Investment*: <https://www.law.berkeley.edu/wp-content/uploads/2020/09/California-Roadmap-Fiduciary-Duty-Sept-2020.pdf>
 - *Coronavirus Compounds Challenges for Low-Income Communities and Communities of Color*, Federal Reserve Bank of San Francisco. https://www.frbsf.org/our-district/about/sf-fed-blog/covid19-coronavirus-low-income-disproportionate-impact-communities-color/?utm_source=verticalresponse&utm_medium=email&utm_campaign=frs-cd-pulse-survey
 - Governor Small Business Disaster Package November 30, 2020: <https://www.gov.ca.gov/2020/11/30/governor-newsom-announces-immediate-assistance-for-businesses-impacted-by-covid-19-including-temporary-tax-relief-and-500-million-in-grants/>
 - *The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey*, Robert Fairlie with UCSC and Stanford: <https://siepr.stanford.edu/research/publications/impact-covid-19-small-business-owners-evidence-early-stage-losses-april-2020> The update: <https://onlinelibrary.wiley.com/doi/epdf/10.1111/jems.12400>
 - Main Street Tax Credit, SB 1447 (Bradford, Caballero, Cervantes): <https://www.cdtfa.ca.gov/taxes-and-fees/SB1447-tax-credit.htm>
 - *The Partnership for Lending in Underserved Markets Increasing Minority Entrepreneurs' Access to Capital*, Milken Institute: <https://milkeninstitute.org/sites/default/files/reports-pdf/PLUM-Capstone-Report.pdf>
 - *Priming SDG Markets: Can International Donors and Implementers Create An Impact Investment Pipeline?*, Milken Institute: <https://milkeninstitute.org/reports/priming-sdg-markets>
 - *Recovery for All*, Gov. Newsom Task Force on Business and Jobs: <https://www.gov.ca.gov/wp-content/uploads/2020/11/Task-Force-on-Business-and-Jobs-Recovery-Report.pdf>
 - *Small Businesses Owned by People of Color Work Group*, led by Isabel Guzman at the 2020 California Economic Summit. <https://cafwd.box.com/s/a0lNy9pp6ugoqwtj6r8fi5nn4txjh1by>
 - Small Business Sales and Use Tax Deferrals, Governor's November 30 Package: <https://www.cdtfa.ca.gov/>
 - Strategic Plan: A Vision We Can Believe In, California Reinvestment Coalition: <https://calreinvest.org/strategic-plan>
 - *Unemployment Insurance During COVID-19: The CARES Act and Role of UI During the Pandemic*, National Employment Law Project: <https://www.nelp.org/publication/unemployment-insurance-covid-19-cares-act-role-ui-pandemic/>

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