

Coronavirus (COVID-19) Guidance and Resources for Santa Cruz County Business

COUNTY OF SANTA CRUZ

MARCH 20, 2020



Agenda

1. Opening Remarks – Andy Constable, Economic Development Manager
2. Office for Economic Development – Andy Constable, Economic Development Manager
3. Small Business Development Center (SBDC) – Brandon Napoli – Director
4. Workforce Development Board – Andy Stone, WDB Director
5. Questions



Webinar Broadcast Options

- Zoom webinar
- CTV YouTube - <https://www.youtube.com/channel/UCGIIdn3uVpcXnvHwwUlhQeew/live>
- County Facebook page - <https://www.facebook.com/countyofsantacruz/>
- CTV – Comcast channel 25 and Charter channel 71, **which will be available for replay.**



Office for Economic Development

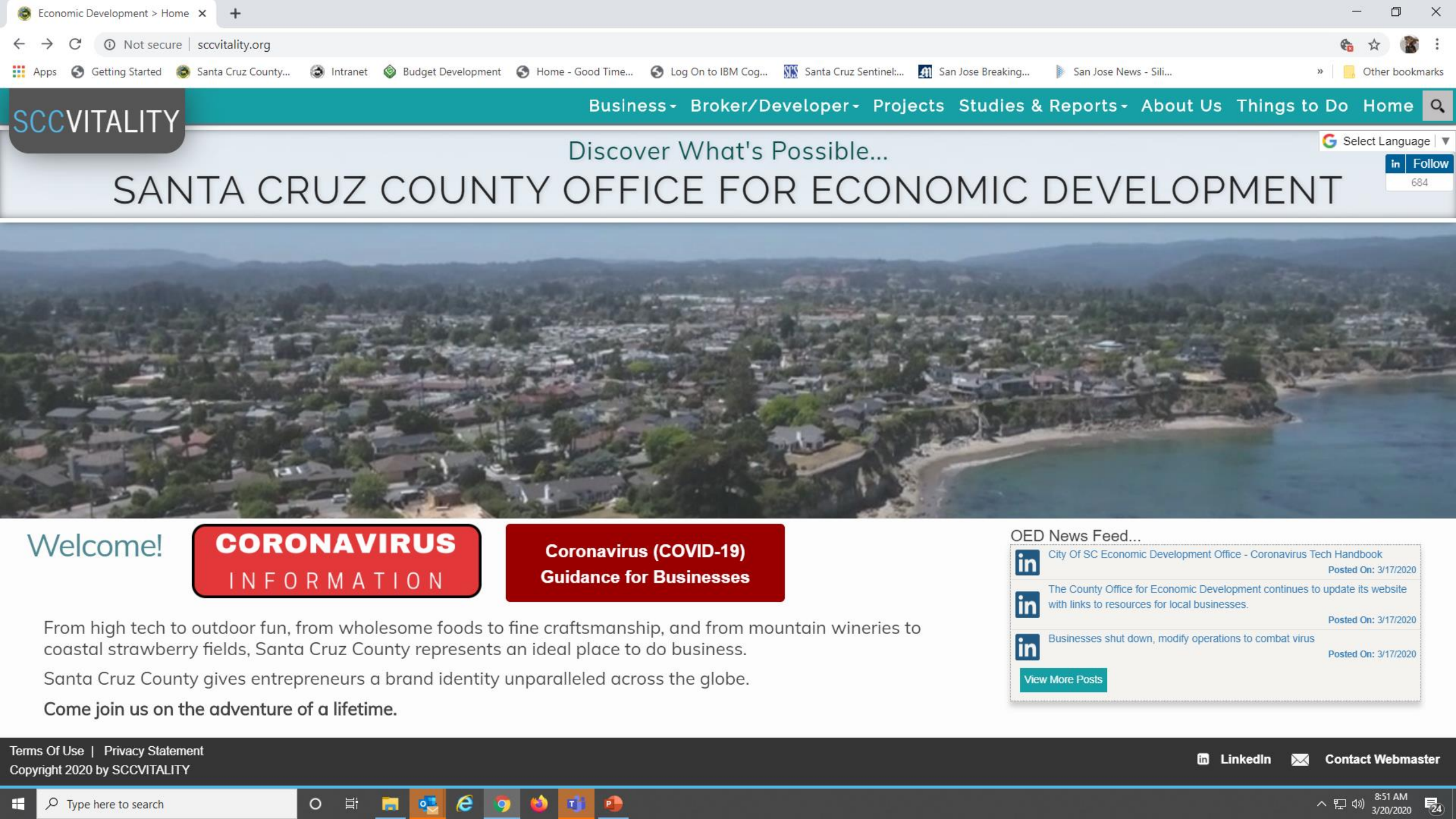
Andy Constable, Economic Development Manager

Background & Activities

- Shelter in Place Orders
 - Issued by the County Health Officer (March 16, 2020)
 - <https://www.santacruzhealth.org/coronavirus>
 - Definition of “Essential Businesses”
 - Issued by the State (March 19, 2020)
 - <https://covid19.ca.gov/>
- Questions about the order and/or Coronavirus (Covid-19), call (831) 454-4242 between 8 am and 6 pm, Monday-Friday. Outside of these hours, call the United Way of Santa Cruz County at 211 or text "covid19" to 211211.

Background & Activities (continued)

- Board of Supervisors actions
 - Residential and commercial eviction moratorium on the March 24, 2020 Board Agenda for consideration
- Office for Economic Development actions
 - SCCVitality.org (Coronavirus (Covid-19) Guidance for Business Resources page)
 - County of Santa Cruz Office for Economic Development LinkedIn page
 - Today's Webinar (Available Funding and Workforce Resources)
 - Follow-up webinar with local cities, the Santa Cruz Chamber of Commerce and various other local business partners and associations to be announced



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SANTA CRUZ COUNTY OFFICE FOR ECONOMIC DEVELOPMENT




Welcome!

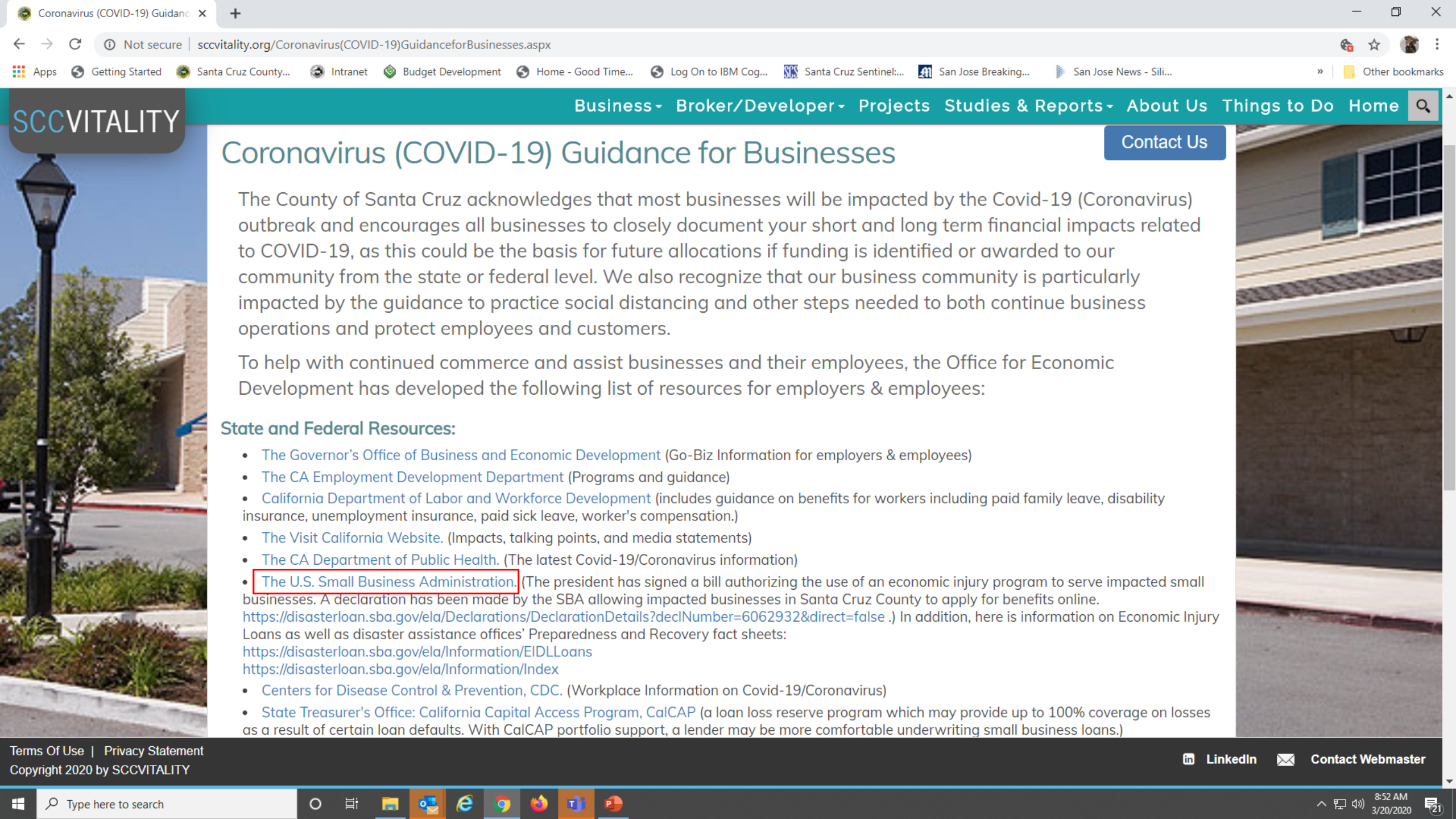
CORONAVIRUS
INFORMATION

Coronavirus (COVID-19)
Guidance for Businesses

From high tech to outdoor fun, from wholesome foods to fine craftsmanship, and from mountain wineries to coastal strawberry fields, Santa Cruz County represents an ideal place to do business. Santa Cruz County gives entrepreneurs a brand identity unparalleled across the globe. Come join us on the adventure of a lifetime.

OED News Feed...

-  City Of SC Economic Development Office - Coronavirus Tech Handbook
Posted On: 3/17/2020
 -  The County Office for Economic Development continues to update its website with links to resources for local businesses.
Posted On: 3/17/2020
 -  Businesses shut down, modify operations to combat virus
Posted On: 3/17/2020
- [View More Posts](#)



Contact Us

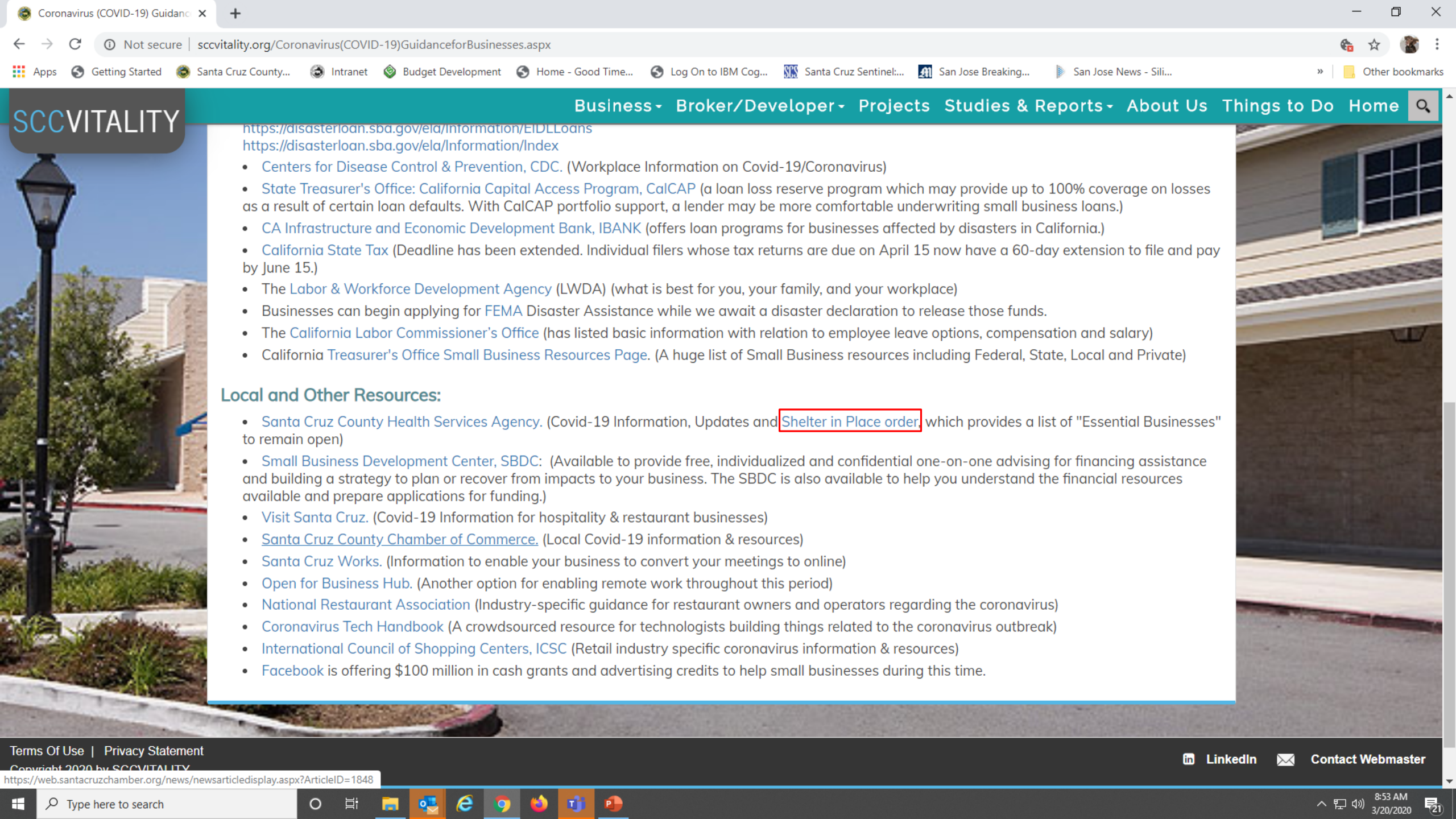
Coronavirus (COVID-19) Guidance for Businesses

The County of Santa Cruz acknowledges that most businesses will be impacted by the Covid-19 (Coronavirus) outbreak and encourages all businesses to closely document your short and long term financial impacts related to COVID-19, as this could be the basis for future allocations if funding is identified or awarded to our community from the state or federal level. We also recognize that our business community is particularly impacted by the guidance to practice social distancing and other steps needed to both continue business operations and protect employees and customers.

To help with continued commerce and assist businesses and their employees, the Office for Economic Development has developed the following list of resources for employers & employees:

State and Federal Resources:

- [The Governor's Office of Business and Economic Development](#) (Go-Biz Information for employers & employees)
- [The CA Employment Development Department](#) (Programs and guidance)
- [California Department of Labor and Workforce Development](#) (includes guidance on benefits for workers including paid family leave, disability insurance, unemployment insurance, paid sick leave, worker's compensation.)
- [The Visit California Website](#). (Impacts, talking points, and media statements)
- [The CA Department of Public Health](#). (The latest Covid-19/Coronavirus information)
- [The U.S. Small Business Administration](#). (The president has signed a bill authorizing the use of an economic injury program to serve impacted small businesses. A declaration has been made by the SBA allowing impacted businesses in Santa Cruz County to apply for benefits online. <https://disasterloan.sba.gov/ela/Declarations/DeclarationDetails?declNumber=6062932&direct=false> .) In addition, here is information on Economic Injury Loans as well as disaster assistance offices' Preparedness and Recovery fact sheets: <https://disasterloan.sba.gov/ela/Information/EIDLLoans> <https://disasterloan.sba.gov/ela/Information/Index>
- [Centers for Disease Control & Prevention, CDC](#). (Workplace Information on Covid-19/Coronavirus)
- [State Treasurer's Office: California Capital Access Program, CalCAP](#) (a loan loss reserve program which may provide up to 100% coverage on losses as a result of certain loan defaults. With CalCAP portfolio support, a lender may be more comfortable underwriting small business loans.)



<https://disasterloan.sba.gov/ela/Information/EIDLLoans>
<https://disasterloan.sba.gov/ela/Information/Index>

- Centers for Disease Control & Prevention, CDC. (Workplace Information on Covid-19/Coronavirus)
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- CA Infrastructure and Economic Development Bank, IBANK (offers loan programs for businesses affected by disasters in California.)
- California State Tax (Deadline has been extended. Individual filers whose tax returns are due on April 15 now have a 60-day extension to file and pay by June 15.)
- The Labor & Workforce Development Agency (LWDA) (what is best for you, your family, and your workplace)
- Businesses can begin applying for FEMA Disaster Assistance while we await a disaster declaration to release those funds.
- The California Labor Commissioner's Office (has listed basic information with relation to employee leave options, compensation and salary)
- California Treasurer's Office Small Business Resources Page. (A huge list of Small Business resources including Federal, State, Local and Private)

Local and Other Resources:

- Santa Cruz County Health Services Agency. (Covid-19 Information, Updates and [Shelter in Place order](#) which provides a list of "Essential Businesses" to remain open)
- Small Business Development Center, SBDC: (Available to provide free, individualized and confidential one-on-one advising for financing assistance and building a strategy to plan or recover from impacts to your business. The SBDC is also available to help you understand the financial resources available and prepare applications for funding.)
- Visit Santa Cruz. (Covid-19 Information for hospitality & restaurant businesses)
- Santa Cruz County Chamber of Commerce. (Local Covid-19 information & resources)
- Santa Cruz Works. (Information to enable your business to convert your meetings to online)
- Open for Business Hub. (Another option for enabling remote work throughout this period)
- National Restaurant Association (Industry-specific guidance for restaurant owners and operators regarding the coronavirus)
- Coronavirus Tech Handbook (A crowdsourced resource for technologists building things related to the coronavirus outbreak)
- International Council of Shopping Centers, ICSC (Retail industry specific coronavirus information & resources)
- Facebook is offering \$100 million in cash grants and advertising credits to help small businesses during this time.



Support your local businesses!

- Buy a gift card
- Shop over the phone
- Put an item on hold
- Shop online
- Leave a review
- Promote on social media
- Maintain subscriptions



**SMALL
BUSINESS
DEVELOPMENT
CENTER**

Cabrillo College
Breakthroughs happen here.™

Where Businesses Start, Grow and Prosper

What is the SBDC?



Santa Cruz County Small Business Development Center is a premier hub of experts experienced in mainstreet, techstreet, and agriculture business. Business owners and aspiring entrepreneurs receive in-depth advising and training to obtain capital, launch businesses, grow sales, and create jobs.

Five Financial Steps You Can Take

1. Make Your Business Model Agile
2. Understand Your Numbers
3. Extend your existing cash flow
4. Work with Banks
5. Apply for the SBA Disaster Relief Loan

Making Your Business Model Agile

| | | | | |
|--|---|---|---|--|
| PROBLEM <i>List your top 1-3 problems.</i> | SOLUTION <i>Outline a possible solution for each problem.</i> | UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i> | UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i> | CUSTOMER SEGMENTS <i>List your target customers and users.</i> |
| EXISTING ALTERNATIVES <i>List how these problems are solved today.</i> | KEY METRICS <i>List the key numbers that tell you how your business is doing.</i> | | CHANNELS <i>List your path to customers (inbound or outbound).</i> | |
| COST STRUCTURE <i>List your fixed and variable costs.</i> | | REVENUE STREAMS <i>List your sources of revenue.</i> | | |

Extend Your Existing Cash Flow

- Scrutinize your operating expenses and eliminate all non-essential spending.
- Pay the minimum on your credit card debt.
- Call your landlord. Ask for a full or partial rent abatement for the time you're closed
- Only take out what you need from the business to live on.
- If you have a line of credit in place, you have a financial buffer to assist with any shortfall.

Extend Your Existing Cash Flow

- Start to sell online, work on promoting your business to generate revenue.
- The Federal Gov't just announced they have extended the tax payment period from April 15th to July 15th with no penalty or interest.
- Contact vendors you are scheduled to receive merchandise from over the next 3-4 weeks and reschedule the deliveries.
- Contact vendor credit departments and inquire if they will extend the payment period with no penalty, if you own them money.

Working With Lenders

1. For existing loans
 1. Ask for deferred payment options, waived fees, interest only, and extended payment dates
2. Applying for New Funding Check Out the List of Local Lenders, including those offering other SBA Products
 1. [Lending in Santa Cruz County](#)

Apply for the SBA Disaster Relief Loan

Eligibility

- No Credit Elsewhere - Business needs to show they are unable to cash flow without hardship. This excludes retirement accounts, personal residence
- Must be a Small Business under the [SBA Table of Size Standards](#)
- Personal Guarantees Required for any owner of 20% or more
- Separate Entities can apply separately
- If you are declined, you will be told why and can resubmit

Apply for the SBA Disaster Relief Loan

Ineligible Applicants

- Some franchises. Determined on a case by case basis based on control
- Those that have defaulted on federal debt
- Agricultural businesses
- Concerns established Post Disaster – If a small concern was established after an impending economic injury became apparent, the owner assumed the risk and did not incur economic injury

Apply for the SBA Disaster Relief Loan

Terms

- **Amounts:** Up to \$2 Million for 30 years at 3.75% for for profits, and 2.75% for non-profits, no fees including prepayment. An Increase can be asked at a later time.
- **Payments:** Deferred for 11 months with the first payment on the 12th. Interest accrues during this the deferment
- **Credit:** Must have worthy credit - not defined.

Apply for the SBA Disaster Relief Loan

Terms

- **Use of Proceeds:** Any working capital needs. The need is what the SBA lends again and the capacity for repayment, not the loss. Cannot be used for refinancing long term debt, paying down (other than regular installment payments) or paying off loans provided, guaranteed, or insured by another Federal agency or a Small Business Investment
- **Collateral:** Nothing for requests under \$25k; for above \$25k - UCC and potentially personal assets, including real estate when available, on a case by case basis. SBA will not decline a loan due to lack of collateral but requires borrowers to pledge what is available.
- **Disbursement of Funds:** Not controlled. Lump sum.

Apply for the SBA Disaster Relief Loan

Process

- Apply Online [Here: https://disasterloan.sba.gov/ela/](https://disasterloan.sba.gov/ela/)
 - You may also contact customer service at 1.800.659.2955 or disastercustomerservice@sba.gov to find out the status of your application before you are assigned to a loan officer.
- Loan Process Decision: 30 days but could be longer
 - A loan officer contacts you to make recommendations
 - Information is verified, credit checked, and forecasts are completed to determine the amount
- Loan Closes and Funds Disbursed
 - Initial disbursement of \$25k within 5 days
 - A case manager is assigned to that will help you with the rest
 - Electronically transferred to bank account

Documentation Requirements

- Complete Application Sole Prop: ([SBA Form 5C](#)) All Others ([SBA Form 5](#))
 - Section 1: Select “Economic Injury”
- Tax Returns (only required if loan is greater than \$500K)
- If the most recent Federal Tax Return has not been filed, A Year End Profit and Loss Statement and Balance Sheet for the most recent year
- A current year to date profit and loss
- Additional Filing Requirements ([SBA Form 1368](#)) providing *monthly* sales figures will generally be required when requesting an increase in the amount of economic injury.

Documentation Requirements

- Tax Information Authorization ([IRS Form 4506T](#)) for the applicant (business), principles, and affiliates.
 - For Owner, each principle that owns 20% or more, each general partner or managing member, each owner who owns more than 50% of an affiliate business
- Personal Financial Statement ([SBA Form 413](#))
 - Only personal assets and liabilities, not business
- Schedule of Liabilities ([SBA Form 2202](#))



SANTA CRUZ COUNTY

WORKFORCE
DEVELOPMENT

COVID-19

Resources for Businesses and Workers

March 20, 2020

Andy Stone, WDB Director

The WDB

The **Workforce Development Board** creates programs & strategies that provide residents with a pathway to better wages and meaningful work.

Workforce Santa Cruz County Career Centers

Watsonville Career Center

- 18 West Beach Street

Capitola Career Center

- 2045 40th Avenue

Sueños Youth Services

- 229 Green Valley Road – Freedom

COVID-19 Resources

For Businesses

Workplace Health and Safety

For information on protecting workers from COVID-19, refer to the [Cal/OSHA Guidance on Coronavirus](#). Businesses and employers can visit the [Centers for Disease Control and Prevention website](#) for help with planning and responding to COVID-19.

Reduced Work Hours

Employers experiencing a slowdown in their businesses or services as a result of the coronavirus impact on the economy may apply for the UI Work Sharing Program. This program allows employers to seek an alternative to layoffs — retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits. Visit EDD's [Work Sharing Program](#) website to learn more about its benefits for employers and employees, and how to apply.

COVID-19 Resources

Potential Closure or Layoffs

Employers planning a closure or major layoffs as a result of the coronavirus can get help through the Rapid Response program. Rapid Response teams will meet with you to discuss your needs, help avert potential layoffs, and provide immediate on-site services to assist workers facing job losses.

For more information, contact Belinda Barr at **831-763-8872** or Belinda.Barr@santacruzcounty.us.

Tax Assistance

Employers experiencing a hardship may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest.

For questions, please call the EDD Taxpayer Assistance Center.

Toll-free from the U.S. or Canada: **1-888-745-3886**

Hearing impaired (TTY): 1-800-547-9565

COVID-19 Resources

For Workers

[Disability Insurance benefits](#) may be available for individuals that have experienced wage loss due to COVID-19 exposure;

[Paid Family Leave](#) to care for an ill or quarantined family member;

[Unemployment Insurance](#), if your child's school is closed and you have to miss work to be there for them;

[Unemployment Insurance](#), if your hours have been reduced as a result of COVID-19.

COVID-19 Resources

There are multiple ways to file a UI claim:

Online: <https://www.edd.ca.gov>

By-phone: Representatives are available at the following toll-free numbers, Monday through Friday from **8 a.m. to noon** Pacific time.

English 1-800-300-5616

Spanish 1-800-326-8937

TTY 1-800-815-9387

By Mail or by Fax: File your UI claim by accessing the paper [Unemployment Insurance Application](#) (under Fill-in Forms). For faster and secure processing, fax the completed application to the number listed on the form. If you mail your application, use the address on the form and allow additional time for processing.

How to Apply for UI Benefits (File a Claim) (YouTube)

[English](#) / [Spanish](#) / [Cantonese](#) / [Vietnamese](#) / [Mandarin](#)

COVID-19 Resources

For Self-Employed/Independent Contractor

Disability Insurance Elective Coverage (DIEC)

Optional EDD plan for employers and self-employed individuals who are not required to pay into State Disability Insurance (SDI) but want to be covered by Disability Insurance (DI) and Paid Family Leave (PFL). DIEC is funded through quarterly premiums and can protect you against partial loss of income when you are unable to work.

To be eligible, either you or an employer had to make contributions in the past 5 to 18 months. It is possible these contributions were made at a prior job, or if you were misclassified as an independent contractor instead of an employee.

Questions