

## Public facing language on the Small Business Relief Fund

### SMALL BUSINESS RELIEF FUND

Need additional business support? Contact the City of Portland information line at 503-823-4000.

Additional resources, including the SBA's federal disaster loans and other programs can be found on our Business Resources page. If you haven't already, please sign up for our email updates about COVID-19 resources for your business.

[download this page in your preferred language: Spanish, Russian, Vietnamese, simplified Chinese]

#### Loan timeline:

- Wed, April 8, 9:00 am: Applications open
- Sat, Apr. 11, Noon : Applications close
- Wed, April 15: Loan applicants notified

The Portland Small Business Relief Fund will provide grants and zero- interest loans to support Portland small businesses experiencing hardships related to COVID-19.

The goal of the fund is to provide immediate relief by helping business owners retain their businesses and their employees as a bridge of support before additional state and federal resources become available in the coming months.

Prosper Portland has \$1.38 million of available funding to offer impacted community businesses through the grant program, and \$1 million of available funding for the loan program.

Prosper Portland will manage the application and selection process for these emergency relief grants and loans. We will use specific criteria to prioritize support for the most vulnerable businesses.

Community Development Financial Institutions (CDFI) partners will process grant and loan payments once applicants are selected to simplify and speed up the disbursement process.

Prosper Portland is working with private, public and philanthropic funding partners to generate additional support for businesses.

#### Small Business Relief Fund Loan (up to \$50,000)

##### Loan eligibility requirements

- Business must meet one of the following:

- Business is public-facing (e.g. retail, coffee shop, food service) and is directly impacted by new public health requirements related to COVID-19 pandemic.
- Business has experienced 25% or more decline in revenue due to the COVID-19 pandemic.
- Businesses must have \$5 million or less in annual gross revenue
- Business must have 50 or fewer employees
- Principal place of business must be located within the City of Portland
- Business must have been in operation and in compliance with the State of Oregon registration requirements on or prior to July 1, 2019. (Sole Proprietors operating under the owner's name are not required to register with the State of Oregon).
- Business must be registered with the City of Portland on or prior to July 1, 2019.
- Business must provide owner with primary source of income (more than 50% of monthly income should come from the business)

#### Ineligible businesses

- Business must meet one of the following:
  - Business is public-facing (e.g. retail, coffee shop, food service) and is directly impacted by new public health requirements related to COVID-19 pandemic.
  - Business has experienced 25% or more decline in revenue due to the COVID-19 pandemic.
- Businesses must have \$5 million or less in annual gross revenue
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- Business must provide owner with primary source of income (more than 50% of monthly income should come from the business)

#### Loan priorities

- Job preservation, particularly for POC, women, low income individuals and individuals in East Portland and Neighborhood Prosperity Network service areas
- Businesses located in industrial districts

- Businesses that pay employees \$15/hour or more and will use resources to maintain level of employment

#### Loan Terms

- 4- or 6-year term, 0% interest rate
- Payments deferred for 12 months (this is included in the term above; e.g., 1 year of deferred payments then 3- or 5-year repayment term for a total of a 4- or 6-year loan term)
- Note: a loan term of 6 years will be provided to businesses that retain employees and/or continue to pay for health care premiums
- Loan balance is due at the end of the term. If it not, interest could accrue at 8% until balance is paid off.

#### Selection and disbursement

We anticipate using a similar process as the approach identified for the grant process below.

#### Prohibited uses

Resources from both grant and loan funds may not be used for personal uses or those prohibited by federal (except legal cannabis), state, or local law or regulation.

#### Equity at Forefront of Guiding Principles

The City of Portland is committed to centering racial equity in our collective responses to COVID-19. Recognizing that Black, Indigenous and all People of Color (BIPOC), individuals with disabilities, and individuals experiencing poverty are often disproportionately affected, the City of Portland is dedicating resources and creating support systems to ensure this crisis does not exacerbate existing inequities. We also acknowledge that the Asian Pacific Islander community has been particularly impacted by increased racism and xenophobia since this crisis began.

Three guiding principles inform the development of the Portland Small Business Relief Fund as well as consideration of further near-term efforts to support economic stability:

#### Prioritize support to the most vulnerable, applying a racial equity lens

The Portland Small Business Relief Fund provides support to small businesses in sectors that have been directly impacted by the necessary COVID-19 public health requirements and prioritizes businesses owned by Black, Indigenous, Asian Pacific Islander and all People of Color and/or women and employees. The median white family has 41 times more wealth than the median African American or Native American household and 22 times more wealth than the median Latino family. Systemic racism and gender bias further constrict access to capital; the average size loan for women-owned business was 31 percent less than for male-owned businesses. In times of economic growth, the wealth gap and constrained access to capital creates barriers to starting or growing a business; it can come at a devastating financial cost to business owners and their employees in economic downturns.

#### Act quickly. Leverage existing assets and networks.

To provide resources quickly, the process to develop and refine this proposal incorporates the input of existing equity-centered networks and advisory bodies, leaders from other cities, and financial partners.

Partners from the Inclusive Business Resource Network, Neighborhood Prosperity Network, multicultural chambers, and CDFIs provided input on eligibility requirements, urgent business needs, grant and loan terms, and organizational capacity. As a result of this input, the proposal presents a framework grounded in racial equity priorities that leverages the trusted and nimble deployment infrastructure of our local CDFI partners.

Make a difference through action, partnership and advocacy.

The Small Business Relief Fund seeks to leverage the respective strengths among Prosper Portland and its partnership networks. Prosper Portland will pair its expertise in grant program development with its partners' trusted infrastructure to disburse funds rapidly. Lessons from other major cities show that high application volume will drastically outpace available funds. Knowing that demand will surpass resources, staff intend to engage with the Council for Economic and Racial Equity over the coming days to further refine prioritization criteria.

[CLOSED] Small Business Relief Fund Grant  
(\$2,000 to a maximum of \$10,000)

General fund equity and vulnerability priorities

- Businesses that are public facing and directly impacted by new COVID-19 public health requirements and/or have experienced 25% or more decline in revenue since Feb 1, 2020
- Businesses owned by Black, Indigenous, Asian Pacific Islander and People of Color and/or women
- Businesses for whom resources will help them stay in business
- Businesses who continue to pay employees and/or provide healthcare and other insurance during COVID-19

Selection and disbursement process

Grant Timeline

Grant recipients selected Tuesday April 7 and connected with disbursement partners

Funding provided by Friday April 10

Disbursement partners and business advisors through the Inclusive Business Resource Network will work with grant/loan recipients to identify a stabilization strategy and apply funds to most critical expenses, keeping in mind areas where other disaster relief funds or other financial products or solutions may be more appropriate supports (i.e. lease payment extension agreement with landlord, low-interest loan through SBA, business interruption insurance, etc.).

Eligibility

The City of Portland \$2 million investment in loans and grants will be funded as follows:

\$1 million from City of Portland general fund for maximum \$10,000 grants to Portland small businesses  
\$5,000 max for businesses where owner is the only employee and businesses are home-based or do not have real estate rental payments

\$10,000 max for all other eligible businesses

\$1 million from Prosper Portland Enterprise Zone funds for up to \$50,000 zero-interest loans

#### Ineligible businesses

Franchises

Locally owned businesses with more than three locations

Businesses or individuals whose primary revenue is generated from rental/income-producing properties

Non-profit organizations

#### Requirements

Business must meet one of the following:

- Business is public-facing (e.g. retail, coffee shop, food service) and is directly impacted by new public health requirements related to COVID-19 pandemic.
- Business has experienced 25% or more decline in revenue since Feb 1, 2020 (e.g. manufacturing, industrial, office-related, traded-sector).
- Businesses must have \$2 million or less in annual gross revenue
- Business must have 50 or fewer employees
- Principal place of business must be located within the City of Portland
- Business must have been in operation and in compliance with the State of Oregon registration requirements on or prior to July 1, 2019. (Sole Proprietors operating under the owner's name are not required to register with the State of Oregon).

### **FREQUENTLY ASKED QUESTIONS** [in English, Spanish, Russian]

I applied for unemployment but have not received notice. Will this affect my application? Am I eligible for both?

Being eligible for unemployment does not disqualify a business. If you are a business owner (including sole proprietors, freelancers, independent contractors) and if you qualify for unemployment benefits you still may be eligible for this grant opportunity.

What information should I gather for my grant/loan application?

Please have these items on hand when you're ready to apply:

- State of Oregon Business Registration number
- City of Portland registration number
- 2019 annual gross revenue – how much you sold in 2019
- Your best estimate of revenue loss due to COVID-19
- Number of employees
- Average employee wages
- Years in business

Will I need to provide backup documentation as part of the application?

You will not need to provide any backup documentation as part of the application, but we will verify information you provide in your application.

How do I know if I'm a public-facing business?

For the purposes of this grant/loan, we consider public-facing businesses as those impacted by Governor Kate Brown's Executive Order 20-12 calling for closure of specific business types. You can see the Executive Order here ([https://www.oregon.gov/gov/admin/Pages/eo\\_20-12.aspx](https://www.oregon.gov/gov/admin/Pages/eo_20-12.aspx)) You can find translated versions of the Executive Order and other state update information at <https://govstatus.egov.com/or-covid-19>.

My business is registered to an address outside of Portland but I sometimes sell in the city of Portland; am I eligible?

No, the address on your business registry is the address used to verify your eligibility.

How do I calculate gross revenue?

Your gross revenue is your total business sales BEFORE any deductions. For example, if you sold a dress for \$100 then your gross revenue is \$100.

I can't find a field to enter my gross sales; what should I do?

The application does not ask for exact sales figures. You will need to know if your gross sales were below the eligibility threshold (\$2M for grant; \$5M for loan) and if your decrease in sales is at least 25%. If your application is selected you may be asked for verification.

How do I estimate my decline in revenue?

Use your best judgment to estimate how your revenue was impacted by COVID-19.

1. Compare your sales this year to your sales last year
2. Compare your actual sales to your projected sales

If I had to lay people off am I disqualified for the grant funding opportunity?

No, applications are scored on a variety of elements, including employee support/retention, business resiliency, and the impact of COVID-19 on the business.

Is the application available in other languages?

Yes. The application is available in English, Spanish, Vietnamese, Russian and simplified Chinese.

Do I have a better chance if I submit my application as soon as the process opens?

No, this is not a first-come first-served process. Each completed application received will be reviewed. Please be patient and try again later if you're unable to access the online application.

I am a freelancer/independent contractor/solopreneur. Am I eligible for grant funding?

If you were in operation and in compliance with the State of Oregon registration requirements on or prior to July 1, 2019 you may be eligible for funding.

Businesses operating under the owner's own name are not required to register with the State of Oregon. For more information visit the Oregon Secretary of State website under the question, "Are all businesses required to register and use an assumed business name?"

I qualify for unemployment due to the extended unemployment benefits for freelancers under the federal CARES Act. Am I eligible?

If you are a business owner (including sole proprietors, freelancers, independent contractors) and if you qualify for unemployment benefits you still may be eligible for this grant opportunity.

If I own more than one business, will I be eligible to receive a grant for each business?

You should submit a separate application for each business. Each business is eligible for one grant, and each business is evaluated separately.

Can I check more than one option for how I plan to use the funds?

We ask that you check only the one option that is your first priority, and then add any other uses you plan to spend the funds on in the text box provided.

I need to make a change to my application. What should I do?

If you made a mistake on your application, we are verifying the information that you have submitted and can update information as needed if your application is selected. We are not able to update your answers if you are dissatisfied with your application responses. You will need to resubmit your application.

Why does it not apply to businesses that were not operating prior to July 1st, 2019?

These grants are designed to support businesses that have demonstrated experience with their business operations over the last year.

Where is the form to apply for the grant?

<https://form.jotform.com/200856532356052>

Would relocation costs be an eligible use of grant/loan funds? We are currently renting space in a commissary kitchen that may close down.

Yes, if the relocation costs are business expenses as described in the example above.

What if we have a job and a side business?

You are eligible.

Are commercial/residential property owners eligible?

No, as stated on the website, ineligible businesses include: "Businesses or individuals whose primary revenue is generated from rental/income-producing properties"

My restaurant is locally owned by my husband and me, but I have been the sole operator for the past 10 years - does that qualify for the "women owned" category?

Yes, we consider that woman-owned.

We are a women-owned business partnership and have kept our team of 7 paid throughout this even though we've suspended our services a week ago. If we became eligible and received a grant would we be ineligible for the grant opportunity for the federal stimulus package?

There is no legal bar to small businesses applying for/receiving **both** federal **and** local grants or loans.

Are franchises eligible for the loan?

- Local franchises with up to three locations are eligible.
- The Portland Small Business Relief Fund guidelines are consistent with Prosper Portland's other financial programs in order to provide funds to businesses that may not have access to other capital sources and additional network resources.
- National franchise owners are typically able to tap into additional resources through their franchise networks that are not available to locally based businesses.