



# Memorandum

**TO:** THE HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Councilmember Lan Diep

**SUBJECT:** SMALL BUSINESS  
ASSISTANCE RELATED TO  
NOVEL CORONAVIRUS

**DATE:** March 12, 2020

Approved

*Lan Diep*

Date

*3/12/20*

## RECOMMENDATION

To bring much-needed relief to small businesses in San José adversely impacted by COVID-19, approve direction to the City Manager to:

1. Take the following actions:
  - a. Work with our Congressional delegation to urge the Trump Administration and the Small Business Administration to formally declare a disaster stemming from COVID-19 infections in Santa Clara County or geographic region that includes Santa Clara County so that federal assistance may be directed here specifically;
  - b. Reach out to the Governor's office to request priority for Santa Clara County over any state or federal assistance dollars, reflecting our heightened vulnerability;
  - c. Through the 2020-2021 Budget Process, set aside funding for our Office of Economic Development so they can build the capacity to:
    - i. Provide technical assistance to small businesses eligible for SBA loans;
    - ii. Become a singular resource for small businesses in need to learn about the various private and government relief programs available to them;
  - d. Reach out to the Silicon Valley Community Foundation and corporate partners in San José such as Google, Cisco, Adobe, and Apple in attempt to create a relief fund to give **grants** assisting small businesses impacted by COVID-19 to cover employee wages, rent, and other fixed costs similar to the \$5M fund Amazon has created for Seattle;
  - e. Reach out to the Silicon Valley Organization, other ethnic and minority chambers of commerce, and small business owners to create a Small Business Recovery Task Force to advise us on policy recommendations and assist with outreach to the business community;
  - f. Reassess the purpose of work2future to see what additional resources they may need to provide workforce training for an anticipated wave of newly unemployed workers due to COVID-19 under their current mandate or whether in light of these new circumstances we must broaden their mission;
  - g. Partner with local business organizations on co-marketing for a Shop Local campaign and delivery options;
  - h. Reduce or waive fees for city parking meters and garages during the crisis; and

2. Explore the possibility of:
  - a. Deferring collection of business taxes until February 2021;
  - b. Deferring payment of utility bills;
  - c. Providing no-interest loans to qualified small businesses, to be paid back with federal assistance monies or private grants as these resources become available.

### **BACKGROUND**

Within a matter of months, the COVID-19 virus has turned into a global pandemic. What once was merely a current event threatening another part of the world has made its way to Santa Clara County and has forced us to change our way of life. In an effort to ensure adequate access to medical care, hospitals, and doctors social distancing, frequent hand washing, and obsessive cleaning of surfaces are the fads du jour. Governor Gavin Newsom called on Californians to avoid gathering in groups of more than 250 people at a time. The National Basketball Association has cancelled the remainder of the season until further notice. To date, there are at least 48 known cases of COVID-19 infection including one death in Santa Clara County.

As people avoid crowds and self-isolate at home for prolonged periods of time, our local economy is being adversely impacted. Restaurants sit empty. Conferences have been canceled. Stores are no longer frequented. This has resulted in reduced work hours and will eventually lead to mass layoffs. Small businesses are the backbone of our economy and too few have cash reserves to continue paying rent and operational costs while keeping their workers employed. President Trump has recognized the increased pressure on small businesses and has announced an aid package of \$50 billion to be dispersed through the Small Business Administration but his announcement lacked specifics.

### **ARGUMENT**

However long it may take, the panic surrounding Coronavirus will eventually pass. The economic recovery that follows however, will be drawn out long after this public health risk has subsided. New aversions to socializing will have crystalized. Fears of gathering in public spaces will linger. Consumer confidence will take time to rebound. Yet even once people tire of self-isolation and are ready to return to the normalcy of dining out, going to movies, and attending sporting events, these industries, and the vast ecosystem of businesses they support, must still be open to offer the merriment consumers seek. If our small businesses shutter and close during this time of fear, people will not only lose their jobs, there will be nothing to return to once this public health scare has dwindled. San José's economic vibrancy depends not only on attracting more jobs to our city but also preserving the industries and jobs our residents have now.

### **CONCLUSION**

The Council should direct staff to implement the ideas outlined in this memo to provide critical assistance to our small businesses that are reeling and at risk of closure because of the COVID-19 pandemic.