



SOMERVILLE SMALL BUSINESS RECOVERY FUND FINAL REPORT

NOVEMBER 30, 2023

SUMMARY

In 2020, the Somerville City Council approved a \$5 million allocation to help the City's small businesses endure and recover from the negative impacts of the COVID-19 pandemic. In 2022, with roughly \$1.9 million remaining of the initial \$5 million allocation, Mayor Katjana Ballantyne's Office of Strategic Planning and Community Development (OSPCD) designed a program to distribute the fourth round of funding, known as the **Small Business Recovery Fund (SBRF)**. The SBRF provided one-time forgivable loans of up to \$5,000 for home-based businesses and independent contractors and up to \$15,000 for brick-and-mortar businesses operating in the City of Somerville. To qualify, businesses had to be located within the City of Somerville, have 20 or fewer full-time employees, and be able to demonstrate an ongoing decline in revenue due to the pandemic (shown through tax returns).

The City hired iParametrics to work with OSPCD on the implementation and administration of this program. A Case Manager, Program Manager, and Outreach Coordinator from iParametrics worked closely with the City team to provide this support.

Marketing the SBRF

A marketing campaign and robust outreach plan was launched and continued through the end of the program. The team used social media, the Economic Development Division's small business newsletter, a page on the City's website, extensive "block walking" through Somerville, and in-person community engagement sessions in areas identified with ongoing unmet needs. OSPCD coordinated block walks in conjunction with the SomerViva Office of Immigrant Affairs (SOIA) and were accompanied by Mayor Ballantyne on three of these walks to promote the program. Community partners, including East Somerville Main Streets and Union Square Main Streets, were also essential in conducting outreach and assisting businesses with the application process. OSPCD staff also host virtual office hours on Thursdays from 4pm to 5pm to answer questions from the public about department programming, including the SBRF.

Applying for the SBRF

SBRF applications were reviewed on a rolling basis. The program accepted 2019-2022 1120-S, 1120, 1040 schedule C's, and 1065 tax documents to review. To demonstrate the negative financial impact from COVID-19, the tax documents had to show a decrease in net revenue between two years. The award amount was determined by the amount of net revenue loss up to \$15,000 for brick-and-mortar businesses and up to \$5,000 for sole proprietor businesses.

Grant services, outreach, and the application itself were made available in multiple languages to ensure those applicants with limited English proficiency were able to access funding. The iParametrics Outreach Coordinator (OC) was also able to connect in person with local small businesses and be the primary conduit between the City and business owners. (iParametrics hired a local OC specifically to be able to meet with businesses in person.) The OC provided support and assistance with gathering and submitting documents, explaining the program and each step, and relaying important information from the grant administration team. This helped make the process faster and less frustrating for applicants. Meeting with business owners about the grant also shed light on other issues and obstacles local small businesses were experiencing, and opened the door to communication and education that will be beneficial to the City and community in the future. Businesses provided feedback on experiences and current business conditions that may never have been brought forward if not through this program.

HIGHLIGHTS

- 27 businesses are in a Qualified Census Tract (QCT). A Qualified Census Tract is a census area where at least half of households have a lower income than most of the surrounding region. QCTs are designated by the U.S. Treasury and the Department of Housing and Urban Development to define underserved and disproportionately impacted communities.
- The Outreach Coordinator is tri-lingual and a community member assisting with coordination and the application process.



Community Engagement

- As mentioned previously, the team used social media, the Economic Development Division's small business newsletter, the City's website, block walks, in-person community engagement sessions, and virtual office hours.
- OSPCD coordinated engagement and outreach with the OC and community partners to maximize outreach efforts and assist businesses with the application process.
- Approximately 80 applicants received assistance from the OC with compiling the necessary documents, sharing information, and completing the application.
- Applicants were able to contact the SBRF case manager and program manager with any questions or needs for assistance during the registration and application process.
- Awarded applicants were provided an opportunity to participate in an optional survey to provide feedback on their experience with the program.



Survey Responses

An optional survey link in Portuguese, Spanish, and English (as well as how to request assistance in other languages) was provided to awardees in email, so they could provide feedback about their experience with the program. OSPCD staff also provided the survey in-person in several cases. The survey closed 9/22/23. 13 funding recipients submitted survey feedback in total.

Most responses indicated that the businesses awarded would use their assistance for mortgage/rent and payroll. Most also responded that changes to staffing would be a next step if they had not received the funding.

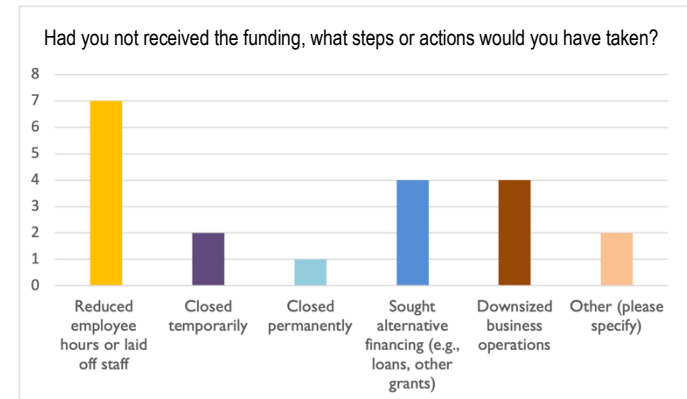
Program Analysis

STRENGTHS

- Support of the Somerville City Council and the Mayor's Office.
- Flexibility to adjust to needs of businesses to provide meaningful recovery assistance, such as by adding the "Independent Contractor" category when the program reopened.
- Consistent visible presence in the community with outreach and community partners. With this help, some businesses were able to get an application submitted faster before the deadline.
- Implementation of the best practice of developing written guidelines with tracked changes.
- Willingness and ability to provide materials and assistance in multiple languages was key in overcoming potential barriers for Limited English Proficiency business owners.
- Connection and inclusiveness to the whole community is evident. City partners and community stakeholders demonstrated genuine interest in the business owner's story and success beyond the application process.

AREAS FOR IMPROVEMENT

- Some businesses that are struggling did not have documentation required to be eligible for this program.
- There was a minimal level of applicant confusion on what documents needed to be submitted, especially when requesting additional supporting information.
- Additional requests for information, lack of understanding of program requirements (tax forms, loan agreement and COA), and process timeline appeared to be frustrating to applicants.
- Final approval process was delayed by documentation requirements that were not known at the time of application.



- Providing proper and official identification for in-person outreach efforts is recommended for future programs. We received some feedback from applicants that were concerned about scams and turning over information without proof of who was collecting the information.
- Aspects of the payment process were new and presented to City staff during the actual process. This created delays in issuing checks and significantly frustrated applicants. Many applicants were concerned that the program was a scam due to the amount of time between submitting their information and receiving anything from the City.
- End of fiscal year duties and staff limitations delayed final steps in review and payment process for applicants.

OPPORTUNITIES

- Continue building trust and partnerships by engaging stakeholders, educating small businesses, and responding to feedback about the program.
- Communicate with business owners regarding planned and ongoing development in the area that impacts customer access and experience for their business (i.e., construction, road closures, available parking, etc.).
- Small businesses in Somerville would benefit from additional financial assistance and direction to other resources or options while maintaining a small business in Somerville (ie. workshops, collaborative meetings, town halls, etc.).
- Establish internal processes for future opportunities.

THREATS

- Businesses are still struggling with rising costs of supplies and expenses (i.e., rent and utilities), even with this funding assistance from the City.
- Businesses continue to perceive negative impacts from area improvements and development, restrictions on parking, and limited customer access to businesses.