

Amendment 1 to Council Bill (CB) 119812

Full Council – July 20, 2020

Sponsor: Councilmember Strauss

Amendatory language shown in track changes ~~track changes~~

Amend Section 4, page 10, lines 18-27, as follows:

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020

Adopted Budget, shall be subject to the following provisos:

- A. Of the funding appropriated to the Office of Economic Development’s Business Services (BO-ED-X1D00) Budget Summary Level in the 2020 Adopted Budget, \$14.45 million of the funds shall be used to address the economic hardship small business owners and their employees, and nonprofit organizations and their employees, experience due to loss of business income, grant funding reductions, layoffs and reduced work hours for a significant percentage of this workforce as a result of the COVID-19 crisis and may be used for no other purpose. Up to five percent of these funds may be used for expenditures incurred by the department to administer the investments. The Council intends that this funding will be allocated as follows:
1. \$14.1 million to provide financial assistance to small business owners or operators and nonprofit organizations, with preference to brick and mortar small businesses, that would be used to reduce the economic hardship caused by COVID-19 crisis and assist small businesses and nonprofit organizations to comply with public health guidelines, thereby protecting the local economy by reducing the number of businesses or nonprofits that are permanently closed and jobs permanently lost due to the short- and long-term economic impacts caused by COVID-19.
 2. \$315,000 to provide training, referral services, and technical assistance to support businesses, including assistance in preparing applications for federal or state loans or grants that provide direct financial assistance to small businesses to prepare such businesses for the road to recovery.
 3. The Council further intends that:
 - a. Up to \$10,000 in financial assistance may be provided to any single eligible small business owner or nonprofit organization under this proviso.
 - b. Assistance should be prioritized for businesses and nonprofit organizations who commit to not reducing wages and benefits provided prior to the COVID-19 emergency, and for business and nonprofit organizations who

have historically, or recently, been unable to access other forms of assistance through state or federal programs available to support businesses, including businesses owned by Black, Indigenous, and people of color and those with limited English proficiency, and businesses in the creative industry. Any awards to those in the creative industry should be made in partnership with advocates in the creative industry sphere.

- c. For purposes of this proviso, an eligible “small business” is defined as a business with ~~ten~~25 or fewer full time equivalent employees (FTEs) and an eligible “nonprofit organization” is a nonprofit with ~~ten~~25 or fewer FTEs that provides community services that protect or enhance the health, safety, environment, or general welfare of people who live or work in Seattle.
- d. The Executive should develop eligibility criteria for small businesses who have been economically impacted by the COVID-19 crisis and for whom such assistance will provide economic benefits to the public by saving or creating jobs, moderating impacts to local tax revenue by supporting continue operations of small businesses and ensuring that businesses can modify operations as necessary to comply with public health guidance. Criteria should include consideration of equitably distributing financial assistance to small businesses and nonprofit organizations located in neighborhoods across Seattle. Further, businesses that have previously received financial assistance from the City’s Small Business Stabilization Fund are not eligible for additional assistance.

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Effect: This amendment expands eligibility criteria to allow small businesses and nonprofits with up to 25 FTEs (rather than 10 FTEs) to qualify for assistance. In addition, the amendment adds direction to the Executive to include criteria to achieve an equitable distribution of funds for businesses throughout Seattle and to ensure that businesses that previously received support from the Small Business Stabilization Fund are not eligible for a second award.