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MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL

FROM: Micah Hinkle, Deputy Director

SUBJECT: Low-Interest Federal Loans for Businesses DATE: August 14, 2020 Damaged during Demonstrations

City Administrator	Mgc h_	Date Aug 17, 2020	
Approval		Aug 11, 2020	

INFORMATION

This Information Memorandum provides information on the U.S. Small Business Administration's low-interest loans available to businesses that experienced property or economic damages during the recent demonstrations.

Alameda County received a federal disaster declaration for business damage resulting from demonstrations held since May 26, 2020. To obtain this declaration, City staff gathered and submitted data on under-insured or uninsured Oakland businesses that enabled the County to reach the minimum threshold to have a disaster declared.

As a result, impacted businesses now have access to low-interest disaster loans through the U.S. Small Business Administration (SBA).

For businesses and private nonprofits that suffered uninsured damage to their building, inventory, supplies or equipment, a **Physical Disaster Loan** of up to \$2 million can help repair windows and doors and replace stolen merchandise. The application deadline for Physical Disaster Loans is September 16, 2020.

Additionally, working capital loans in the form of **Economic Injury Disaster Loans** help small businesses and most private nonprofits meet ordinary and necessary financial obligations (i.e., rent, utilities, payroll, etc.) that cannot be met as a direct result of the disaster. The application deadline for Economic Injury Disaster Loans is March 17, 2021.

Fact sheets in multiple languages with details on interest rates, loan terms, and application requirements have been posted, along with additional information, on the City's website at: <u>https://www.oaklandca.gov/resources/low-interest-federal-disaster-loans.</u>

For businesses that need assistance applying, the SBA has established a virtual Disaster Loan Outreach Center that operates from 8 a.m. to 4:30 p.m. Mondays to Fridays. Assistance is available in multiple languages. Contact the Outreach Center at:

- FOCWAssistance@sba.gov
- (916) 735-1500

These services are only available for the California disaster declaration resulting from the civil unrest that began May 26, 2020, and not for COVID-19 related assistance.

For business support related to COVID-19 recovery, please visit the City's website at: <u>https://www.oaklandca.gov/resources/coronavirus-2019-covid-19-business-and-worker-resources.</u>

For general business assistance, contact the City's Business Assistance Center at (510) 238-7398 or <u>oaklandbac@oaklandca.gov</u>.

Business Outreach

Information on the availability of these recovery loans will be shared through various channels.

- The availability of the low-interest loans will be highlighted in our weekly business update email to 8,600 businesses and our business support partners.
- The Fact Sheets in six languages will be forwarded to Oakland's chambers of commerce, business improvement districts and merchant groups to share with their constituents.
- Staff will conduct direct outreach via email, direct mail or in-person visit to the 225 damaged businesses identified through dispatch reports, staff dashboard tours and an online survey.

If future demonstrations result in business damage, we will include mention of this financial resource in the City's media release as the disaster declaration has no current end date.

Respectfully submitted,

/s/

MICAH HINKLE, Deputy Director of Economic & Workforce Development