LA County Considers COVID-19 Small Business Assistance Program

To help small businesses throughout Los Angeles County weather the economic fallout from the COVID-19 pandemic, the County, in concert with private sector partners and foundations, is planning to launch a small business assistance program to provide deferred loans to cover operating expenses and prepare for their re-opening once the crisis abates. This program, a unique solution during an unprecedented crisis, will amplify the assistance being offered by the state and federal agencies. The focus will be on small businesses with twenty or less employees, making it possible for them to keep their doors open. Additionally, the County will be providing small grants to small businesses with a focus on social enterprises demonstrating their ability to serve vulnerable populations.

“We must do everything that can be done to make sure that places of employment, especially small businesses which make up more than 90% of employers in Los Angeles County, survive this crisis and reopen for business,” said LA County Supervisor Mark Ridley-Thomas, the author of the motion to provide resources to small businesses.

Since COVID-19 first emerged, it has spread at an extraordinary rate. As a result, recent executive actions on the state and local levels to counteract its spread have had a significant impact on small businesses across all industries. Most are struggling as customers and employees practice the necessary social-distancing and isolation. Recent data has shown that small businesses that employ fewer than nine employees will be especially vulnerable, such as food service; retail and trade; and arts and entertainment. Combined, these businesses provide close to one million jobs in LA County.

“This is truly a countywide effort. All hands are on deck to support business owners and workers that have been deeply impacted by this crisis,” said LA County Department of Consumer and Business Affairs Director Joseph M. Nicchitta. “This
assistance program is critical for our small businesses who need help now, and it will help put them on the path to recovery.”

The County has already begun to provide technical assistance to help small businesses access state and federal funds that are being made available to abate the impact of the crisis. Several efforts at the County and State level have been implemented to assist businesses and workers at this time. On April 2, 2020, Governor Newsom outlined three funding programs for businesses. The Governor announced a one-year reprieve of sales taxes up to $50,000 for businesses with less than $5 million in taxable sales. The State Economic Disaster Injury program will offer advanced loans up to $10,000 for businesses. In addition, State funds will be allocated from the federal government for the Paycheck Protection Program (PPP), program created with the intent of keeping workers employed. For more information please visit covid19.ca.gov.

As resources become available to assist businesses, both the County and State recognize that this pandemic not only impacts small businesses but the employees of those businesses. Therefore, Governor Newsom in partnership with Bitwise Industries created an online platform called OnwardCa.org, to match individuals seeking employment to open job opportunities that align with their skill sets. The State has also allocated funding to the County’s Department of Workforce Development, Aging, and Community Services (WDACS) for qualifying businesses to receive a grant up to $10,000. During these uncertain times, workers and businesses are encouraged to visit the California Employment Development Department (EDD) for more information on applying for unemployment insurance at https://www.edd.ca.gov/.

The County recognizes that information and resources are ever-changing and this may cause confusion for our constituents. That is why the County launched the CEO’s COVID-19 Business Assistance website and the Department of Consumer and Business Affairs (DCBA) created a Disaster Help Center to assist workers and small businesses during this time. Please contact our Disaster Help Center at (833) 238-4450 or Disasterhelpcenter@lacounty.gov.

“We are working tirelessly to create a streamlined financial assistance process that will get funds into the hands of small business owners as soon as possible,” said Supervisor Ridley-Thomas.

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