**City of Seattle**

**Business Stabilization Fund FAQ**

**Stabilization Fund Frequently Asked Questions**

 **1. Is this new round of funding for Stabilization Fund grants open to new applicants?**

Nearly 9,000 small businesses applied for the first round of the OED's Small Business Stabilization Fund, demonstrating that the need goes far beyond what the OED can provide without further support from the private sector, philanthropic partners and economic relief from the federal government.

There are approximately 5,500 existing eligible applicants who were not selected to receive funding in the initial round. Given that tremendous need and that this expanded Stabilization Fund was funded by the Community Development Block Grant (CDBG), which continue to have specific requirements for eligible CDBG awardees, the OED will select awardees from the thousands of applicants that did not receive funding via the first round.

**2. When were applications due?**

Applications were due Wednesday, March 25 at 11:59 p.m. We did not accept late applications.

**3. How many people applied, and how many grants did you fund?**

We received applications from nearly 9,000 businesses and had enough resources to fund 250 of the eligible applicants with $10,000 grants each.

**4. What was the source of funding for Stabilization Fund grants?**

The Small Business Stabilization Fund was made possible by Community Development Block Grant (CDBG) funding. CDBG is a type of federal funding with specific funding eligibility criteria that necessarily shaped the requirements for our Stabilization Fund awards.

**5. What were the eligibility requirements?**

We carefully screened all applicants to determine if they were eligible to receive a Stabilization Fund award. Candidates were required to provide financial information. The program was available to all citywide businesses meeting the eligibility requirements. The following criteria had to be met for a business to be considered eligible:

**a. Geographic location requirement:**

Businesses had to be located in Seattle. Businesses not located within Seattle city limits were disqualified, in accordance with federal funding eligibility guidelines.

**b. Physical location requirement:**

Businesses had to operate out of a physical location within Seattle city limits. Physical location includes a 'brick and mortar' edifice, food truck, farmers market, and other types of physical spaces that depend on foot traffic for business.

**c. Low/moderate income requirement:**

Business owners had to meet the income requirements established by federal funding eligibility guidelines. The business owner had to have low-moderate income (less than 80% of the Area Median Income). Those who incomes were higher than what is considered to be "low - moderate income" were disqualified.

**80% Area Median Income - Seattle-Bellevue-Tacoma**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # of People in Household  | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| Household Income  | $61,800  | $70,600  | $79,450  | $88,250  | $95,350  | $102,400  | $109,450  | $116,500  |

 **d. Micro-enterprise status requirement:**

Businesses had to employ five people or fewer, in accordance with federal funding eligibility guidelines. Businesses that employ more than five employees were disqualified.

**e. COVID-19-related harm requirement:**

The business must be able to demonstrate that they have experienced a loss of income due to COVID-19.

**6. What businesses were NOT eligible to apply?**

Businesses that did not meet the funding qualifications were ineligible. Additionally, franchises, chains, or businesses restricted to patrons above the age of 18 were not eligible for awards (e.g. cannabis retailers and bars were not eligible).

**7. How many of the businesses that applied were disqualified due to eligibility issues?**

2,868 applicants were disqualified because they did not meet eligibility criteria.

**8. How were qualified awardees selected?**

After screening for eligibility, businesses were categorized as being from high or low-displacement areas of the City, and then awardees from each displacement category were selected by lottery. Weighting the investments towards high-displacement risk areas allowed the City to target businesses that are more likely to experience economic shocks.

**9. How do we know the businesses selected are actually eligible to receive funding?**

Once businesses were selected in the lottery, they were assigned to OED's Data Collection Team to verify eligibility and collect documentation. During this process, staff verified that the business owner met the criteria by collecting several forms of documentation, including a CDBG eligibility tracking sheet, which is a form that tracks number of employees and income eligibility. This data is then used to report back to the federal government at the end of the year.

**10. Was the process of choosing awardees equitable and free of bias?**

Yes. The City of Seattle's Office of Economic Development does not discriminate or disqualify business applicants based on gender, race, religion, ethnicity, sexual orientation, gender identity, family status, country of origin, disability, or other demographic categories. OED followed the same criteria qualification guidelines for all businesses and selected lottery winners randomly using tools provided by [**random.org**](https://www.random.org/).

**11. How did you ensure that underrepresented and non-English speaking business owners had a fair chance of getting a grant?**

* OED worked with Office of Immigrant and Refugee Affairs, Department of Neighborhoods, and other community partners to ensure hard-to-reach business owners learned about the Stabilization Fund.
* To allow non-English speakers a fair amount of time to apply for the grant, OED extended the application deadline from 3/18/2020 to 3/25/2020.
* OED worked with Community Liaisons, as needed, to provide support for non-English speaking business owners who were selected through the lottery system to ensure we were able to gather the necessary documentation.

OED also tracked all application data and will provide a report that includes the number of applicants who submitted in a language other than English.

**12. How much money could businesses receive?**

Grants were awarded in the amount of $10,000.

**13. What can the grant be used for?**

Grant money may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business such as covering payroll and rent.

**14. Why did businesses have to share financials?**

OED collected owner household income information to ensure our financial support went to business owners who met the federal income restrictions.  OED also collected a description of the business's monthly operating expenses. This important data helps us understand the ongoing operating needs of small businesses, how far our $10,000 grant will support them, and the potential need for additional financial support from other sources.

**15. Are applications and financial records subject to public disclosure?**

Generally, application materials are subject to public disclosure. However, Washington state law allows for certain personal and financial information to be withheld from disclosure in order to protect the privacy of the applicants.

**16. Will there be another round of Stabilization Fund grant funding in the future?**

Yes. We are currently working to secure funding for another round of Stabilization Fund grants. We will have more details to share soon. All those who are interested and able can donate to the Stabilization Fund by emailing **covidpledge@seattle.gov**.

**17. How will people who applied in the first round of the Stabilization Fund but were not awarded grants find out when the second round of Stabilization Fund grants are available?**

We will notify previous applicants when new Stabilization Fund opportunities are available and will also publicize the new Stabilization Fund grants to the wider Seattle community.

**18. Will businesses that completed an application for the first round of Stabilization Fund grants have to reapply for the second Stabilization Fund?**

No. Applicants who applied for the first Stabilization Fund and meet future eligibility requirements will not need to reapply for the second round; they will be automatically considered.

**19. Can business who were awarded funding in the first Stabilization Fund round reapply for future Stabilization Fund grants?**

No. Businesses awarded grants in the first Stabilization Fund will not be eligible for future rounds.

**20. If a business needs cash now, are there any additional resources?**

Is there assistance for applying to these resources?  In addition to the City's Small Business Stabilization Fund, there are a number of state, federal, and philanthropic resources available to small businesses impacted by the COVID-19 crisis.  The federal CARES Act created additional resources for businesses impacted for COVID-19, including: [**EIDL Loan Advance**](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance), [**Paycheck Protection Program (PPP) Loans**](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp), [**Express Bridge Loans**](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans), and [**SBA Debt Relief**](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief). OED is offering technical assistance for businesses applying for the above resources; [**click here to learn more**](https://www.seattle.gov/office-of-economic-development/covid-19-business-and-worker-resources/sba-disaster-loan-assistance).