



Thursday, April 9, 2020

COVID-19 Small Businesses of Color Outreach and Technical Assistance Initiative
#EquityChallenge

The COVID-19 pandemic has created a precarious reality for everyone. Coronavirus fears, combined with the Governor's "shelter-in-place" order has created unprecedented fiscal impacts on our local economy. As small business owners, we feel this condition acutely—laying off long-time employees, securing our place of business from extended closure, maintaining dual rent and/or mortgages for home and business without access the unemployment insurance. As many Oakland residents severely affected by this pandemic, we need help and we need it now.

Over the last few weeks, we are very grateful for the steadfast leadership exemplified by our devoted elected officials through the creation of emergency relief funds, at the local level, to substantial financial assistance through the federal CARES Act. As the demand for relief exceeds the supply, one fact is evident: there is not enough money to go around, and communities of color historically get left behind. An equity lens (a forward investment in underserved communities) is necessary if our most vulnerable small business owners are going to survive this economic turmoil. The lack of attention to equity has led to an exponential increase in structural barriers to social mobility for communities of color-- as many of us experienced and witnessed during the housing market and financial crisis of 2008.

As leaders of the four ethnic Oakland Chambers of Commerce, we recognize the urgency for affirmative outreach and technical assistance to small business owners of color if they are to stand a chance of accessing the State and Federal funds that are coming down the pipeline. Many of our constituents have expressed feelings of confusion, anxiety, and intimidation around the technical jargon around tax reprieve, SBA loan application process, and lending prerequisites. Without an equitable community engagement strategy, each of these interruptions run the risk of excluding minority applicants from obtaining these resources, by design. Due to the longstanding relationship and trust that we have built with entrepreneurs of color, we propose that the Chambers take the lead in conducting direct outreach and technical assistance for minority and immigrant small business owners through what we are calling the "COVID-19 Small Businesses of Color Outreach and Technical Assistance Initiative."

To meet the large volume of applicants, as a start, we are requesting a minimum amount of \$90,000 in funding from the City Council to provide culturally competent services (\$20,000 for each Chamber and an additional \$10,000 for coordination and technical assistance). We see this funding as a forward investment in securing millions of dollars that can go to relief for historically underserved small business owners and their employees. For the next 30-60 days, our four Chambers of Commerce pledge to utilize those funds to dedicate staff towards our goal of assisting up to 500 small business owners to access financial assistance through the CARES Act,



and other business relief programs that may become available. Our goal is to invite key financial lenders and philanthropic foundations to accept the *Equity Challenge* and support us in this campaign to prevent minority and immigrant small businesses owners from losing generational wealth and roots in Oakland. With this partnership, we are certain that our services will bring us one step closer to eliminating structural barriers that keep minority and immigrant business owners from participating in the largest-ever fiscal stimulus plan in U.S. history.

We also urge City leaders to work with lending institutions to make sure that small businesses owned by people of color in Oakland respond to our “Equity Challenge”:

1. *Lending Transparency.* We ask the City to collect reports from Oakland-based lending institutions on their loan approvals. Specifically, the report should document the location of businesses, race and gender of primary owners, and amount given.
2. *Aspirational Lending Goal.* We ask lenders to aspire to allocate 50% of their loan portfolio to small businesses in underserved communities.
3. *Strategic Partnership.* We ask lenders to work with the four Chambers of Color in the “COVID-19 Small Businesses of Color Outreach and Technical Assistance Initiative” to ensure equitable access to resources.

The COVID-19 crisis signals a period of global and political shift, in which we can do more than just react to the widespread panic and needs of our communities. At this pivotal moment, we are situated in an optimal position to actively develop new policies, programs, and strategic investments that can reverse and repair generational racial disparity trends. The launch of this Initiative will not only enable Oakland small businesses of color emerge from this crisis stronger, but as a city, we have a chance to inspire other leaders across the country to center equity and inclusion in their relief and recovery strategies.

United,

Oakland African American Chamber of Commerce

Oakland Chinatown Chamber of Commerce

Oakland Latino Chamber of Commerce

Oakland Vietnamese Chamber of Commerce