

COVID-19 RESPONSE IN CITIES:

## Supporting Small Businesses, Essential Workers and Jobseekers

With unemployment rates at historically high levels and businesses of all sizes struggling to find their way in the new COVID-19 reality, local leaders are uniquely positioned to ensure that services are available to support local businesses and jobseekers as they rebound and drive economic recovery. Cities can take the following actions immediately to support recovery.

### 1 Understand local employment trends and work closely with local workforce boards and employers to connect jobseekers to work.

The first step towards connecting jobseekers to work is to develop a fine-tuned understanding of your local labor market and how workers and businesses are being affected by the pandemic. Local leaders can appoint a senior staff person to track and monitor local labor market information. Alternatively, the city can work closely with outside partners to track and assess local data and use it to inform a workforce strategy.

Many jobseekers will need skills training, job coaching and real-time referrals to connect to current job vacancies. Your local Workforce Development Board (WDB), which oversees federally funded American Job Centers, is a critical linchpin in ensuring that these services are available to jobseekers. Local elected officials play a key role in partnering with the WDB to drive local recovery. Make sure your city is represented on your local board and is actively engaged in informing its programs. In the [City of Louisville, KY](#) region, [KentuckianaWorks](#) has tailored resources to meet the needs of jobseekers and businesses.

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[LinkedIn tracks real-time labor market information to help communities tailor their local workforce approach.](#)

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## 2 Engage your local community college or job training provider to ensure that skills development opportunities are available and match employer needs.

Residents who are newly unemployed or who may be looking to upgrade and/or adapt their skills to meet business demand will need access to skills training. To help advance the conversation about training gaps in your community and how to best address them, city leaders should engage with local community colleges, which are adept at developing and offering in-demand training and preparation for industry credentials. In the [City of Alexandria, VA](#), [Northern Virginia Community College](#) works closely with local businesses and associations, such as Alarm.com and the Consumer Technology Association, to craft employer-specific training that meets the local market need.

Local leaders also can partner with community colleges and major employers to help the city draft a post-COVID economy workplan that sets goals and articulates the role you want your city to play within the broader local economic region. Clearly articulated workforce needs and a plan to create and connect to training should be key elements of this planning. The [City of Chicago, IL's Recovery Task Force Advisory Report](#) outlines plans to bring a focus on equity and opportunity in economic recovery.

**32%** of cities indicate they will have to furlough or lay off employees, adding to the already staggering **1.5 million job losses** in the public sector since March.

## 3 Identify what you know, and what you don't, about local entrepreneurs and their needs.

Understanding the impact of COVID-19 on local entrepreneurs is another critical component of response and recovery. The pandemic's effects on entrepreneurs are both complex and diverse. Many start-ups are being forced to terminate full-time employees while others are pivoting to meet market gaps and new demands for services.

Local leaders should track and understand changes in entrepreneurs' concerns and requests for business aid in their community. Who has been impacted? What are the trends? And what investments are needed? Looking at

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The [City of New York, NY](#) is leveraging federal Workforce Innovation and Opportunity Act funds to “help businesses start, operate, and grow” through [NYC Business Solutions](#).

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entrepreneurial data disaggregated by race, gender and language spoken will help local leaders address disproportionate impacts.

To ensure strong connections to the entrepreneurial community, local leaders can identify a senior municipal appointee or director to serve as the designated point of contact for the local Chamber of Commerce and/or Business Improvement Districts. It is also important to identify if there are nonprofit or non-traditional lending institutions making small-dollar investments in the community (churches, private individuals, civic clubs, neighborhood associations and community development corporations). These funds, combined with any federal funds made available through stimulus initiatives, will be instrumental for small businesses and entrepreneurs. Leveraging federal and local resources while also designating key staff to liaise with local business groups can provide a strong foundation for supporting small businesses in your community.

**24%** of cities are making significant cuts to community and economic development programs, which further hinders local businesses from bouncing back from the current recession.

## 4 Consider waiving or reducing fees to support utilization of outdoor space as well as license renewals.

As the pandemic continues, cities should consider waiving or reducing certain municipal fees that impact small business. As they move through various phases of reopening, many communities are working with local businesses to utilize outdoor space for retail, dining and the arts. By waiving fees for the use of outdoor spaces and permitting creative uses like the expansion of food trucks for service, local leaders will encourage economic activity while also supporting a COVID-safe environment.

Through mayoral order, the [City of Easthampton, MA](#) waived fees for the expansion of outdoor dining spaces on Main Street. While local businesses must absorb the cost of expansion, the city is supporting innovative ways to allow for restaurants to remain open.

In the [City of Pawtucket, RI](#), the mayor and city council worked directly with the Rhode Island Hospitality Association to establish a payment plan for restaurants renewing their liquor licenses, allowing flexibility for small businesses struggling to survive.

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[NLC's Keeping the American Dream Alive: Expanding Economic Mobility and Opportunity in America's Cities](#) improve the economic mobility of residents and the overall economic health of their cities.

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Information about fee waivers and similar initiatives to ease the burden on small business should be broadly accessible on the city's website and via targeted outreach, especially to minority and women-owned businesses. Such outreach efforts are especially important for entrepreneurs who are just starting out, as the process of maneuvering through the small business certification and licensing process can be daunting.

## 5 Convene local financial institutions to discuss strategic lending.

As businesses work to survive and hopefully rebound from the pandemic, local leaders can play a key role in assessing the community credit picture in the city, including any gaps in available financing. An important step to consider: convening community banks, community development finance institutions (CDFIs), credit unions, and impact investors to set an agenda for strategic lending and granting, and to set standards for underwriting using a racial equity lens. Working to create a single point of contact between city, county and state programs will also go a long way toward assisting entrepreneurs. An important goal is to ensure that available funds are significant enough to make a difference and that all partners have a standard process for assessing business health and potential recovery.

To develop strong local financial institutions, city leaders should consider designating staff to manage the process and outreach. This process includes: triaging and helping business owners and entrepreneurs navigate the varying eligibility requirements across different lending programs; understanding whether your community has a locally headquartered community bank or CDFI and, if not, developing a recruitment strategy for bringing one in; and developing a strategy to engage and curb payday lenders. A city webpage dedicated to capital resources should be easy to read and clearly direct residents to the appropriate lenders and other business supports.

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The Wilmington Alliance in **Wilmington, DE** has built strong relationships with banking institutions headquartered in the area, and offers the following advice: 1. Banks are always looking for efficient ways to invest their money, so point them in the right direction! 2. Make sure banks know the real story of what is happening in your community. Bring them on tours, send them reports, introduce them to neighborhoods they may not experience from their downtown headquarters. 3. Remember banks are required by the Community Reinvestment Act to support the needs of low- and moderate-income neighborhoods.

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