



Building a New Future Together

How Municipal Governments Can Help Their Small Businesses to Reopen, Recover, and Thrive

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This document contains recommendations for municipalities to facilitate small business¹ reopening and recovery. These businesses are critical to local economies and they face significant challenges in being able to survive past the early phases of the COVID-19 crisis. Neighborhood businesses are particularly vital in some of our hardest hit communities, and if we help them to move beyond the current crisis, they can serve as the backbone of neighborhood revitalization.

Municipal government has a key role to play in helping small business to reopen, recover, and thrive well into the future. However, the Commonwealth must provide clear, consistent guidelines and requirements, and to ensure consistent messaging to business owners, employees, and customers about how to remain safe after reopening occurs. The state can also play a key role in providing access to testing and PPE, as well as support for the increased enforcement needed to ensure compliance.

Throughout the phases of reopening and recovery, municipalities will need to be entrepreneurial and flexible according to changing needs and conditions of small businesses in their community. In each city or town, these recommendations can help to guide the development and implementation of a plan for each municipality, but always with the involvement and input of the communities being served, and with cultural awareness and sensitivity.

1 Small businesses are defined as 50 employees or fewer

Small Business Principles

1. Small businesses are a key part of Massachusetts' economy and identity.

- There are 322,958 small businesses in Massachusetts²
- These businesses provide a sense of place and community and play a key role in neighborhood identity.
- Small businesses empower families and individuals to improve their lives and life skills.

2. Municipalities can play a key role in helping businesses survive.

- Financial assistance and support generating revenue are crucial for businesses experiencing severe impacts.
- Reduction of business expenses, through regulatory relief as well as expedited reopening assistance when it is safe, will allow businesses to be successful both now and over the long-term.

3. The new environment in which businesses are now operating requires new business models and requires creative municipal support to help those models to emerge successfully.

- Physical distancing will lead to new ways of doing business and will force businesses to adapt. Municipalities must follow suit with the creative use of public policy, programs and public space.
- New businesses will emerge in response to shifting customer behavior and new needs. Alternative business models, such as worker-owned cooperatives, might prove to be more resistant to economic shocks and could prove to generate more wealth for their owners.
- Short-term responses could lead to longer term positive changes to improve the environment in which small businesses operate. Regulatory relief now could lead to regulatory reform in the future.

4. Municipalities should work with their small businesses and the Commonwealth to carefully track measures of success to understand how to respond to future disruptions and which temporary measures to enact permanently.

2 Source: InfoGroup USA, 2016

5. Supporting businesses owned by women, people of color and immigrants must be prioritized, as they historically have had less access to the resources needed to successfully recover.

- Businesses owned by immigrants and people of color are particularly prevalent in the most affected neighborhoods. With support, these businesses could play a key role in neighborhood recovery.

Goals

Municipalities should focus on the following goals when providing support to small businesses in their communities. A balanced approach with actions designed to achieve these three goals will allow businesses to survive and thrive.

Goal One: Protect health and safety of customers, owners and employees

Provide technical assistance to help small businesses adapt to new state regulations.

- Support to secure PPE
- Access to testing sites
- Printable signage for physical distancing requirements
- Webinars and online information on regulations and guidance
- Translated materials and interpreters on-hand (partner with local CBOs for staff or volunteers)
- Ensure that a staff member from each business is in communication with the Public Health Department to receive important updates and provide timely information.

Goal Two: Increase small business revenue

Expand opportunities for businesses to sell goods and services

Important Considerations

1. The outdoor vending options below should be done following health and safety guidelines to ensure proper physical distancing, sanitation of all materials and equipment, etc.
2. All outdoor vending must be done in compliance with ADA regulations, e.g. platforms at curb site, etc.
3. Although touchless point of sale (credit/debit card processing or payment apps) is best to protect health and safety, some individuals are unbanked and operate in cash. It is important to consider safe cash options for these individuals.

Expanded point of sale: In-person

Facilitate curbside pickup

- Remove parking from dense city/town centers to make more room for people to walk, bike, and patronize businesses and services. Businesses can extend outside store fronts into the curb parking (or travel lane).

Allow sidewalk or street vending

- Allow for sidewalk or street vending without special permit or waive permit fee. If the sidewalk width is not sufficient to allow for vending activity while complying with ADA regulations, curbside parking should be repurposed to allow for retail activity on the street.

Allow outdoor seating for restaurants

- Allow for outdoor seating for restaurants without special permit or waive permit fee. If the sidewalk width is not sufficient to allow for seating while complying with ADA regulations, curbside parking should be repurposed to allow for parklets and additional seating on the street.
- Consider allowing outdoor alcohol service for restaurants with liquor licenses, if properly monitored and served at the table. This would require a state regulatory change.

Convert private parking lots to restaurant and retail space

- Utilize private parking lots for outdoor dining and shopping to create open air cafes and increase the number of patrons an establishment can serve safely. Such changes would require negotiation with owners and abutters.

Create street markets

- Close selected streets in retail districts to allow for outdoor shopping and dining stalls.

Activate plazas for commerce

- Activate public plazas, squares, or downtown parks for small businesses and restaurants to sell their products as outdoor markets.

Expanded Point of Sale: Delivery

Cap the cost of restaurant delivery services to limit costs to small businesses.

- Given recent increases in cost, municipalities should explore intervention to cap cost of restaurant delivery services.
 - Seattle and San Francisco have passed commission caps. Newton, Cambridge and Boston are currently considering caps.

- Municipalities will need to work with their legal counsel and the Attorney General's office to explore the options for this.
- Note that there are workforce implications with this option given that caps could result in lower pay for low-wage positions such as delivery drivers.

Develop municipal partnerships with alternative delivery services to encourage curbside pickup.

Expanded Point of Sale: Online fulfillment

- See state order. Link: <https://www.mass.gov/info-details/covid-19-essential-services-faqs>
- Provide technical assistance to businesses interested in developing or expanding online sales.

Regulatory changes

- Allow businesses to sell new products and services in demand (groceries, PPE, cleaning supplies).
 - *E.g., wholesale resale of groceries in restaurants (Boston)*

Provision of Technical Assistance

- Partner with local chambers and technical assistance providers to host webinars on ways businesses are adapting to changing customer habits and needs, resources available, etc.
- Provide 1-1 consultants or group consultations to businesses interested in adapting their business model.
- Partner with pro-bono legal assistance organizations or law firms providing pro-bono services to offer lease negotiation workshops and support.
- Provide technical assistance to small-scale landlords to develop new lease structures to facilitate tenant reopening and recovery.

Workforce Development Support

- Provide connections to Career Centers and other workforce development organizations to assist with hiring, managing layoffs and navigating unemployment resources.

Financial support

- Expand existing programs to provide more/larger grants to small businesses through Community Development Block Grant funding or other funding sources.
- Refer businesses to lending institutions, including non-profit or public small business lenders.

- Engage foundations and philanthropic lenders to explore potential funding support.

Marketing

- Implement a buy local campaign in partnership with a local chamber, Main Street organization, or Business Improvement District.

Provide tailored support for specific business types

Childcare

Key challenges

- Financial viability given closures
- Operational/safety viability given space layouts/limitations
- Access to PPE
- Addressing outbreaks
- Parent/guardian/employee confidence

Responses

- Provide financial assistance through grants or loans, or increased vouchers to lower-income parents, especially single parents or essential workers.
- Partner with childcare centers to create tools to match essential workers with open locations.
- Provide technical and financial support to access PPE.
- Provide technical and financial support to modify physical space to meet distancing and safety standards.
- Provide expedited licensing, permitting and financial assistance to new child care centers.

Restaurants

Key challenges

- Occupancy restrictions will negatively impact business models built on built on higher sales volume.
- Operational/safety viability given space layouts/limitations
- Supply chain disruptions given business closures

Responses

- Provide expanded in-person pick-up and delivery options (see above).
- Purchase food from restaurants to provide to food insecure residents.
 - *E.g. Cambridge program*
- Provide technical and financial support to modify physical space to meet distancing and safety standards.

Retail

Key challenges

- Occupancy restrictions will negatively impact business models built on higher sales volume.
- Operational/safety viability given space layouts/limitations
- Supply chain disruptions given business closures

Responses

- Provide expanded in-person pick-up and delivery options (see above).
- Explore municipal or regional procurement of PPE and other products from local retailers.
- Provide technical and financial support to modify physical space to meet distancing and safety standards.

Farmer's Markets

Key challenges

- Space limitations due to physical distancing requirements
- Supply chain disruptions leading to fewer products available
- Increased health and safety regulations may demand increased capacity from farmers, who would be putting themselves at risk
- Reaching food insecure residents who are high-risk and will need to continue to stay inside

Responses

- Provide expanded public space options (see above).
- Offer translation and interpretation services. Universities could provide assistance via connecting students with local health departments.
- Lower cost barriers for food insecure residents by partnering with farmers to expand acceptance of SNAP/HIP payments.
- Reduce contact risks by partnering with farmers to have consolidated processing of SNAP and HIP happen by market management.
 - *For those who rely on token systems, explore efficient disinfecting processes.*
- Encourage markets to pre-bag products to reduce crowding due to browsing.
- For high risk residents who should continue to shelter in place, partner with farmers who are regular vendors to provide contactless curbside pickup in central spots in neighborhoods, or mobile market providers that already provide that service.
- Prioritize reopening markets by assessing neighborhood healthy food access needs.
- Work with farmers experiencing supply chain delays to schedule market days according to produce availability.

- Encourage markets to add culturally-relevant food products, through partnership with a local retailer or other suppliers, to broaden the offering of fresh produce.
- Allow Farmers' Markets to sell grocery "pantry" items.
- Promote online and, as possible, over-the-phone ordering via CSAs or partner sites such as Mass Food Delivery.
- Underwrite purchases by residents from farmers to that the price of food at a farmer's market is comparable to the price of food at a grocery store.
- Provide event producers with nearby public sanitation resources once such events are allowed (e.g. outdoor handwashing stations equipped with hand sanitizer, which can be rented or purchased).

Arts & Culture

Key Challenges

- Lack of space for events and rehearsals given physical distancing restrictions
- Lack of PPE and cleaning supplies
- Lead time and certainty needed to stage full productions and events (2-6 months)

Responses

- Provide expanded public space options (see above) for performances, concessions and product sales or distribution.
- Assist with scheduling and coordinating community art events.
- Provide technical assistance to transition into outdoor physical distancing operations.
- Partner with community access television stations to create online content in partnership with cultural organizations.
- Create partnerships with local school districts to provide cultural enrichment content online to students.
- Coordinate with artists and crafts people, textile craft businesses (sewing stores) to shift to production of masks and other needed supplies.
- Promote online sales of tickets, concessions, artwork, materials, and supplies.

Goal Three: Decrease the cost of doing business

Important considerations

It is important to conduct a cost-benefit analysis to determine the feasibility of the regulatory measures listed below, with the goal of providing needed support to small businesses while also protecting municipal finances.

Regulatory improvements

Permit/License Fee waivers

Annual Business License:

- Prorate the fee

Vending/Provision of goods outside of the establishment:

- Take out
- Outdoor vending in public realm
- Outdoor seating for restaurants

Other license/permit for key business elements

- Liquor licenses
 - Municipalities could also consider buying back liquor licenses and reissuing them as non-transferrable licenses to provide needed capital to the business.
- Common Victualler's licenses

Consideration should also be given to waiving fees for reinspection of businesses prior to reopening.

Permit/License waivers

- Take-out
- Permits for sale of additional goods, such as groceries, etc.
- Outdoor vending in public realm
- Outdoor seating for restaurants
- Allow home-based businesses with online sales by right in accordance with health and safety regulations and physical distancing restrictions in place for other brick and mortar businesses (i.e. product is picked up outdoors, masks and gloves worn, transaction conducted online, etc.)
 - Waive local business license requirements for individuals working out of their homes without bringing additional workers onto the premises.

Tax abatements

- Delayed payment of meals taxes
- Delayed payment of property taxes

Forbearance of certain debts

- Taxes owed
- License, permit fees owed

Loan forgiveness

- Forgiveness of municipal loans to small businesses with documented hardship

Process Improvements to ensure expedited reopening

- Online scheduling for needed inspections
- Virtual inspections where possible (via Zoom or FaceTime)
- Online licensing/permitting for certain licenses and permits

- Expansion of inspection staff when appropriate. If an inspection can be done by municipal staff with fewer emergency responsibilities (such as building inspector assisting with compliance health inspections) inspections could be completed more quickly.

Technical assistance to adapt to new regulations:

- Support to secure PPE and cleaning supplies
- Access to testing sites
- Printable signage for physical distancing requirements
- Webinars and online information on regulations
- Translated materials and interpreters on-hand (partner with local CBOs for job placement)

Immediate, Short- and Long-Term Responses

The temporary measures listed above, such as outdoor vending and regulatory relief, should be well-documented and evaluated to determine effectiveness for the future

- Future reopening processes if physical distancing is required for future control of COVID-19
- Future regulatory reform to make temporary relief measures permanent.

Regulatory improvements should be made considering future use

- Wherever possible, system improvements should be designed to allow for future improvements

Key Steps for Municipal Implementation

1. Ensure adequate staffing, and hours of operation, particularly for regulatory functions

2. Build additional capacity and expertise via area universities, colleges, foundations and non-profit organizations.

3. Compile data

- Access the latest dataset on the small businesses in the community. While not a complete reflection of the current number of small businesses, this will provide a baseline understanding of the number, type and size of businesses.
- Conduct a baseline survey of businesses (template link)

4. Provide materials and support in multiple languages

5. Engage a working group of small business leaders, financial institutions, small business support providers, and academic institutions to advise implementation

6. Develop a decision-making framework to determine how support will be allocated and to which businesses

Municipal decisions should be made considering questions regarding:

- What are the goals of the assistance: Job preservation? Business preservation? Downtown revitalization? Product or service availability? Wealth creation?
- Are there particular business types that the municipality should target?
- What is the current municipal capacity to provide support currently and what will it be in the next fiscal year?
- What is the capacity of the partners of the municipality (local chambers, small business assistance organizations, etc.) to provide support?

7. Develop an evaluation framework

Determine key metrics to track to determine the effectiveness of small business support

Key quantitative metrics to track:

- Sales tax, meals tax (Note: The state publishes this data every month and every two months, respectively.)
- Number of permits, licenses
- Number of inspections
- Number of health, safety violations
- Number of business closures/openings and jobs lost/added
- Commercial vacancy rate and vacancy location database

Key qualitative metrics to track

- Business owner confidence in future, perception of current conditions
- Business owner needs
- Consumer confidence, feeling of safety while engaging in commerce

Develop data collection and analysis process

- Determine staffing
- Partner organizations to assist with data collection
- Develop qualitative data collection tools (link to survey template)
- Determine frequency
- Create or adapt a database
- Develop reporting process