

Southland Small Business Assistance Program Program Summary

I. Overview

The [Southland Development Authority](#) is an economic development institution that is charged with driving comprehensive, transformative and inclusive economic growth in approximately 40 Cook County, Illinois South Suburbs.¹ The extensive economic development programming that the SDA has underway will be needed more than ever to help come out of the current economic crisis. At the same time, the SDA and its partners have pivoted to address the urgent needs of residents and businesses impacted by the pandemic, through creation of the [Southland Equitable Recovery Stimulus Program](#).

Through its SBDC and working with its extensive partner network, the SDA immediately launched a massive small business assistance program, reaching out to all businesses in the Southland, using SBDC business liaisons to do quick triage, and then assigning them to finance experts to help them apply for emergency CARES Act and other financial relief. As emergency funding winds down over the next month or two, and the demand for assistance shifts toward how to manage re-opening and then towards addressing longer term sustainability and recovery issues, the SDA is expanding the depth and reach of the small business assistance program, enabling the SDA to provide deep, technical assistance to recover, reposition, and grow businesses in the Southland.

II. Program Approach

The SDA will be providing three types of small business assistance, as outlined below. Type 1 assistance is well underway, as are efforts to build the infrastructure for Type 2 and Type 3 business assistance programs.

Type 1: immediate recovery assistance

The SDA, with Open Door Advisors and in partnership with the [Southland SBDC](#), has been doing massive outreach to every business owner in the Southland. These businesses are then registered and triaged, as a staff of 4 interviews them, understands their needs and links them to the right technical assistance (TA) advisors – who help businesses apply for funds. As of May 28, 143 businesses have been assisted, 106 have applied for funding, and \$1,372,252 has been awarded. Outreach continues, and the word is getting out about the effectiveness of the program and platform: requests are still coming in for this kind of support (and emergency relief funds are still available) and these numbers will continue to grow.

Type 2: reopening

¹ The Southland houses nearly 750,000 people and produces nearly \$18B in economic outputs. Yet, the Southland is also an area that has experienced severe disinvestment and declines in jobs and household incomes in the last several decades and will certainly be hit disproportionately harder in the next few months. Small businesses have been drastically impacted; 26% (which employ 27.5 million Americans, collectively) are at “immediate risk;” in the Chicago area, 50% of small business owners will not be able to continue operating in 0-3 months. See: <https://www.brookings.edu/research/how-local-leaders-can-stave-off-a-small-business-collapse-from-covid-19/> and Next Street, “Chicago: Small Business Financing Need and Proposed Response”, PowerPoint presentation.

Once businesses get emergency funding relief, the most frequent request (already being received) is for help re-opening. This ranges from guidance on how to re-organize spaces and practices for safety, to help accessing safety related equipment, to advice on negotiating rent with landlords, insurance claims, bringing employees back, and so forth. The SDA's network of TA providers has the expertise and is receiving further training to assist businesses with these issues to enable reopening.

Type 3: deeper, targeted technical assistance

Receiving emergency funds to help survive for 8 weeks or so, and even re-opening with constraints for an indefinite period, will not allow most of these hard-hit businesses to survive long term. They need new business recovery plans that address fundamental changes, challenges and opportunities – from supply chains to e-commerce to new product and market acquisition. This assistance requires deeper, often industry specific, expertise, and working relationships with the firm. The SDA will be targeting businesses that make the most difference to inclusive economic growth and vital communities in the Southland. This includes (and the categories overlap – these are initial prioritization factors): firms owned by people of color, firms in key sectors (food manufacturing, MME, TD&L), minority contractors, particularly COVID-19 impacted firms, high-growth potential firms, key neighborhood amenities (e.g. restaurant, health center) and others. Experts with sophisticated business experience will work closely with targeted firms to develop new plans and identify the working capital or other financing necessary to implement them. They will also then help with loan packaging and brokering, connecting the businesses to appropriate financing from our partners. SDA has identified partners with a wide range of financing products (from equity to conventional bank lending) and is developing its own fund, to enable flexible development finance to be provided as necessary to firms. This targeted business assistance is critical to recovering the Southland's economy.

III. Workplan

The SDA has a sophisticated system in place to provided deep technical assistance to these businesses, comprised of:

- **Identify firms** – Identify firms in target segments.
- **Assemble experts** – Experts who join the network, to provide business and financial assistance, will have significant real-world experience and strong industry partnerships. Experts currently lined up within various areas of expertise include:
 - o IMEC (manufacturing)
 - o Chicago TREND (retail)
 - o JumpStart (entrepreneurs)
 - o Chicago Food and Beverage Network; New Food Strategies (food and beverage manufacturing)
- **Provide technical assistance** – The SDA will match firms with experts based on their industry and stage of growth to assist with marketing efforts, business plans, etc.
- **Provide financial advisory and assistance** – The SDA will match firms with experts or bank/CDFI lenders to help identify and secure the right financing (e.g., Accion, Wintrust). The SDA is also building a capital pool to help keep owners in their business and employees on payroll.
- **Tracking platform** – Track assignments to TA providers, TA provision, outcomes, etc.