



Presentation to the Governor's
Task Force on Reopening the
Economy

May 3, 2020

The CDC Movement at a Glance

Centered on core values of community power, economic opportunity, and racial equity

Creating healthy communities where everyone can thrive

Serving urban, rural, and suburban communities

60 State-Certified CDCs achieving results (2015-2018)

7,223
Homes
produced

21,356
Jobs
created/preserved

6,710
Businesses
assisted

317,702
Families served

\$3 billion
invested

Our Small Business Constituency

- ▶ MACDC partners with MGCC to support a network of CDCs, CBOs and CDFIs who collectively serve thousands of businesses.
- ▶ 88% of these businesses fit one or more underserved categories, including 61% people of color, 39% immigrants, 55% women, 65% low-moderate income community.
- ▶ This network has mobilized and expanded during the crisis to help small businesses manage through the crisis and obtain federal, state and local grants or loans.
- ▶ Small businesses represent wide range of sectors, including agriculture, construction, creative economy, food production, health/wellness, manufacturing, personal care, professional services, restaurant, retail, etc.
- ▶ Statewide survey of 500+ businesses in April found that 42% relying on personal savings to survive crisis - something that is harder for business of color because of the racial wealth gap.
- ▶ Survey indicated that businesses need help with business continuity planning, communications, HR, operations, PPE, sanitation guidelines and technology (online sales, etc).

Health and Economic Equity must be at the center of our plan to reopen the economy

- ▶ Growing evidence that people of color and low-income people are more likely to get COVID-19
- ▶ Economic impact of crisis is hitting people of color and low-income people hardest
- ▶ People of color have less wealth to fall back on during a crisis because of historic and on-going systemic racism and discrimination
- ▶ Last recession resulted in greatest loss of black wealth in history; we can't allow that to happen again
- ▶ Confront equity issues with sense of urgency
- ▶ Develop plan to allocate more resources and capacity in communities that have been disproportionately affected

Industry Level Readiness, Barriers, and Enablers

- ▶ CDCs are generally adaptable, flexible and responsive to crisis situations and community change.
- ▶ CDCs have largely remained “open” by working from home and moving programs online; this can continue as needed.
- ▶ CDCs can use telecommuting to minimize numbers in the office and largely have capacity to comply with DPH guidelines in their office environments.
- ▶ Some CDC programs will be difficult to fully resume under current DPH guidelines, including childcare, youth programming, some resident services. Some of this can be done virtually, albeit less effectively. Other programs simply can't be done six feet apart.
- ▶ CDCs have already adapted to safety guidelines in the operation of their residential and commercial real estate.
- ▶ CDC construction projects are adhering to state guidelines; we use professional construction companies who are adapting.
- ▶ Many of our small business clients are less ready depending on the type of business they operate.

Barriers

- ▶ Safe public transportation for employees (& customers)
- ▶ Childcare for employees
- ▶ Health and safety concerns for employees (and customers) (i.e. those at high risk who do not feel safe coming to work)
- ▶ HR concerns about how to treat workers equitably given that some may be able to work, but others may not
- ▶ Access to PPE and other materials
- ▶ Lack of testing
- ▶ Small businesses have existing debt burdens and lack working capital
- ▶ Inability to operate profitably under the guidelines due to higher costs and/or reduced revenue
- ▶ Lack of technology is an issue for many businesses, but also for CDC residents

Enablers



Protections (financial and otherwise) for workers who can't work



Assurance that the MBTA is safe and/or provision of alternative transportation opportunities



Opening up child care centers, summer camps, and ultimately schools



Fair and equitable access to PPE and other equipment at affordable prices



Emergency grants - especially for businesses that have been completely closed and/or can't fully reopen right away



Multi-lingual, culturally competent technical assistance, coaching and support for small businesses, including industry-specific assistance with compliance and employee training

Industry Re-open: Preparation & Support

- ▶ CDC field does not have a playbook for reopening; some CDCs have begun to develop their own plans, MACDC is convening a working group.
- ▶ Most small businesses are still in survival mode, although some have begun to think about how they need to pivot their business model and adapt to new guidance.
- ▶ The six-foot physical distance guideline is a big challenge for opening many businesses, like childcare, restaurants, personal services, etc. Further guidance about when, if ever, people can be closer together (even briefly) is critical.
- ▶ Another critical decision is whether outdoor events, venues, and activities can be opened sooner.
- ▶ For CDCs, we are tracking PPP loans, layoffs, member dues payments (based on payroll), construction delays, fundraising results (CITC).
- ▶ For small businesses, our statewide coalition surveyed 500+ businesses. We will do that again, as we move through this process.
- ▶ Re: Advance Notice - Smaller companies might need more time to buy equipment & train workers so we need to make sure that big businesses and national chains do not get a big head start on local businesses.

Enforcement and Inspection

- ▶ State and local government should approach enforcement from the standpoint of education and public safety - not strictly compliance, enforcement and punishment.
- ▶ Need to ensure consistency between local and state rules
- ▶ Local governments will need help to have adequate capacity to conduct inspections, respond to questions, handle requests for waivers, etc.
- ▶ Needs to be significant education and training program that includes local government, industry associations, community-based nonprofits, etc.
- ▶ Need to address fear in some communities that non-compliance could lead to criminal sanctions, deportations, and other disproportionate consequences - an atmosphere of fear will be counterproductive.
- ▶ Prioritize rules and enforcement on the major health risks.

Recommendations

- ▶ Drive resources and supports to the people, places and communities with greatest needs - equal is not always equitable.
- ▶ Invest in *Small Business Relief and Recovery Program*
 - ▶ Immediate and sustained increase in funding for Small Business Technical Assistance Program.
 - ▶ Combination of emergency grants and very low cost capital for small businesses.
- ▶ Ensure stable housing for renters and homeowners after eviction/foreclosure moratorium ends.
- ▶ Provide support to CDC housing portfolios so they remain financially and physically sound and don't drain CDC finances.
- ▶ Provide sufficient financial support to affordable housing construction projects so they can be completely and safely quickly once construction resumes.