

Community Vitality Project: Business Survey Report

Business & Community Benefit Organizations Survey Report

Overview

This report has been created by CoMission for the City of Sebastopol to outline the results of the Business Survey and offer potential actions to identified challenges. Throughout the report, notable trends emerge that reflect the business community's sentiments as well as their operational status. In some cases, questions and answers provide meaningful insight on the impacts of the pandemic both in terms of pre and post intervention (pandemic related challenges) as well as direct responses toward potential paradigm shifts. Using both qualitative and quantitative measurements the resulting data will be useful in continuing to address the needs and desires of Sebastopol's business community while driving at longer-term consensus-based recommendations. Additionally, CoMission has provided emergency business support calls for those businesses who responded in the survey requesting assistance in accessing federal funds or navigating pandemic restrictions and reopening orders.

Background

The CoMission Mission

CoMission is a community-oriented organization dedicated to enriching the lives of individuals and improving the quality of life for communities. CoMission creates webs of local resiliency to become a stronger and happier community while fostering and thriving together.

Community Vitality Project

CoMission has engaged with the City of Sebastopol on the "Community Vitality Project" as outlined in the 2019 city plans, however since the spread of the COVID-19 pandemic, CoMission has swiftly shifted their focus and priorities to address the new challenges and face the resiliency demands of the community not only as they were prior to COVID-19, but especially in the wake of the pandemic. CoMission will continue to reach out to the Sebastopol community comprehensively using outreach and engagement tactics ranging from community meetings to public surveys, proactively eliciting participation from our local business, nonprofit, and government stakeholders. CoMission's work is intentionally performed in an inclusive and collaborative way. The comprehensive community engagement portion of the program began on May 5, 2020 allowing CoMission to rapidly engage with stakeholders and effectively assess and respond to the needs of the community.

Goals of the Business Survey

1. Gather quantitative data on the economic and operational impact of the pandemic on Sebastopol business
2. Gather qualitative insights into unique business challenges and experiences to better understand and help these businesses directly
3. Gather anecdotal insights into consumer perspective and behavior patterns to project post-pandemic phenomena that businesses may need to adjust for

The Survey

The survey was designed to solicit feedback from the business community as a snapshot of the state of individual businesses as well as the business community at-large in the wake of the pandemic. While the questions and resulting data are indeed valuable for numerous purposes, the resulting data is not a representative sample of the entire business community. The respondent populations to the survey were not weighted nor does the survey claim to provide any statistical significance beyond a snapshot in time by those businesses willing to participate.

Population

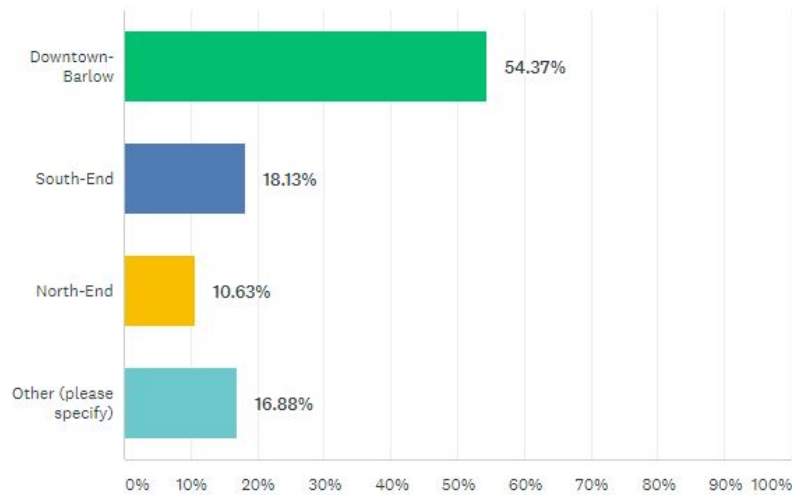
The survey was taken by a broad spectrum of the business community, ranging from fitness studios to architectural firms, and hair salons to legal services. The survey itself was taken by 160 business owner participants, with the near equal participation among businesses in the following areas: Retail, Food Service, and Healthcare. Together, these three sectors of industry represent ~30% of the survey responses. A breakdown of survey respondents by sector is provided below.

Location

The survey was also taken by a geographically diverse spectrum as well with over 50% of respondents located in the Downtown-Barlow and the remaining percent comprising a near equal portion of the remaining areas.

Which part of Sebastopol does your business operate in?

Answered: 160 Skipped: 0



Methods

Given the obvious limitations on door to door canvassing of businesses during the pandemic, CoMission's methods of distributing the survey were and remain primarily through online digital marketing methods. Using an email list of over 800 registered businesses in Sebastopol, CoMission emailed these businesses on three separate occasions soliciting their participation. The survey and invitation email were also provided in Spanish. Further, CoMission made over 230 attempts to call local businesses as well as dropped flyers to over 150 businesses while canvassing the streets. The calls were used as a tool to assess the business needs for immediate triage support, inform them about the Community Vitality Project objectives, and route them to the survey. Businesses identified as needing triage support were routed to half hour intake appointments with Johnny Nolen, where they received one on one support for their specific needs. These methods were used in an attempt to provide comprehensive and inclusive business community outreach.

Survey Questions

For the purpose of this survey, CoMission provided questions in a number of ways, soliciting both quantifiable and anecdotal insights providing for not only measurable data but real life stories happening in our community today. Together, the answers to these questions will help to build the narrative of what is guiding our business behaviors in the wake of the pandemic.

Qualitative

The purpose of the qualitative questions are to gather insights into unique business challenges and experiences in order to better understand and assist businesses directly. Additionally, collecting anecdotal insights into consumer perspectives and behavior patterns may provide for awareness of post-pandemic phenomena that businesses may need to adjust for.

Quantitative

The quantitative questions listed in this survey are intended to gather information on the economic and operational impact of the pandemic on Sebastopol businesses. The questions also solicit answers that, in addition to serving as a snapshot in time (amid the pandemic), should be measured over time.

Using quantifiable Likert scales allows for additional utilization of incoming data in the form of assessing the current status (snapshot) compared to statuses over time through measuring statistically significant changes in survey responses. While this survey provides for a snapshot of the current state of the business community, a future survey should examine the same questions in order to observe and quantify changes in those statuses over time. This is valuable in assessing whether patterns or significant changes emerge as a result of intervention or alternative impacts. These questions can provide a myriad of useful answers, for example, as to whether those businesses that received federal or state relief were more likely to succeed in staying open. These questions can be answered with a post-pandemic survey.

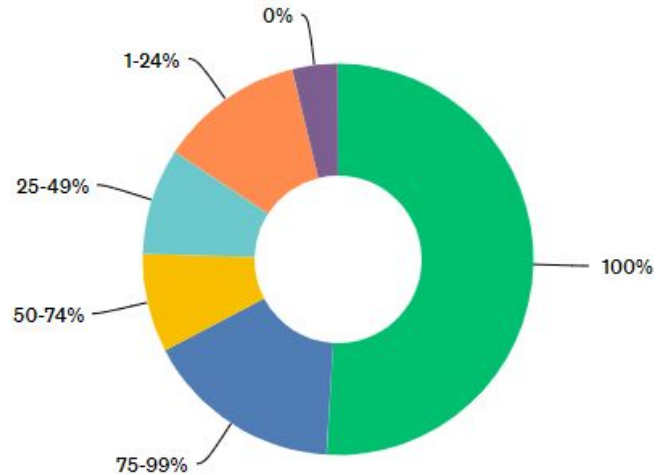
Feedback on Survey

CoMission is aware that city staff and potentially other organizations are gathering information related to the impacts of the pandemic on our communities as well. In an effort to synergize efforts where possible, CoMission solicited the feedback of City staff on multiple occasions inviting additional questions and feedback on the survey itself. As a result of this outreach, questions were added and alterations were made to the survey where appropriate. A couple community members gave us feedback afterwards that it was a little lengthy. The average time it took to complete the survey was only 18 minutes, but CoMission will look to keep future surveys more concise.

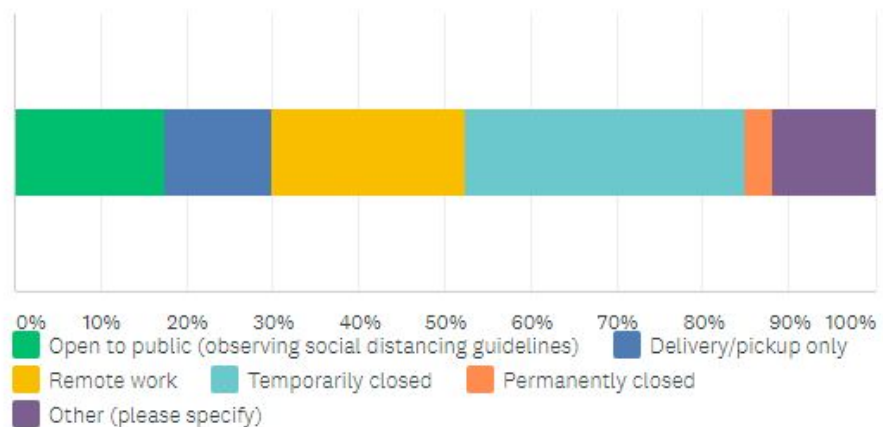
Survey Results

Quantitative Findings

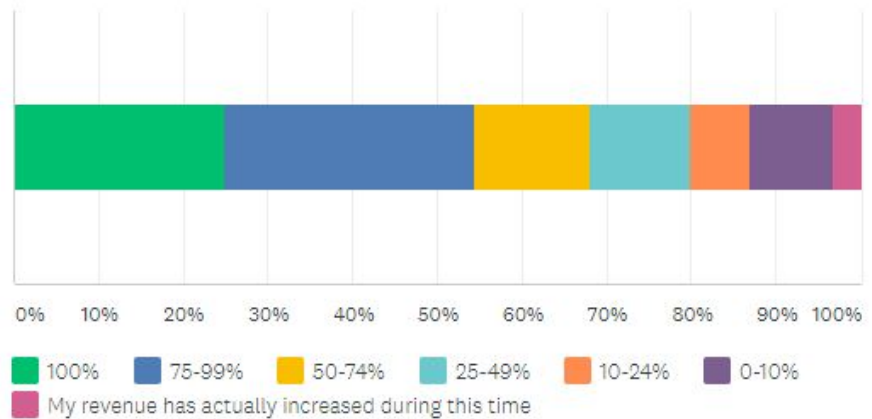
In an attempt to create a context in which Sebastopol businesses may relate to business paradigm shifts in the wake of the pandemic, this question provides a baseline of insight using a simple pre and post intervention question. When asked the question, **“How much of your business operations would normally have been conducted in a face to face setting with your customers before the pandemic?”** fifty percent of all responses said, “100%” of their business was conducted in a face to face setting. Seventy-Eight percent of respondents indicated that over half of their business operations were conducted face to face. This begs the question, how are these businesses doing under the pandemic circumstances?



We then ask, **“What is the current status of your business?”** Of the 160 responses, 32% (52 responses) of all businesses indicated that in the wake of the pandemic they’re “Temporarily closed.” Among all responses, “Temporarily closed” is the most common, followed by “Remote work” at 22%. Among the “other” responses, a majority of those written-in indicated they’re operating “online.” The least selected response was at 3%, which indicated they’re “Permanently closed,” (a total of 5 responses).



To further understand the economic impact of the pandemic, the question was posed, **“How much estimated revenue reduction have you experienced since the shelter in place order was issued on March 17th?”** Nearly seventy-percent responded indicating they’ve lost over half their revenue since March 17th, and twenty-five percent indicating they’ve lost 100% of their revenue. Nearly all



respondents indicated a loss in revenue with only 3%, or 5 total responses indicating their revenue has actually increased. Altogether, the results of the answers to this question indicate that a vast majority of Sebastopol’s businesses have lost over half their revenue during the pandemic. This, of course, results in additional economic hardships faced by employees of these businesses who are often furloughed or laid-off.

In order to identify the ripple effect this revenue loss may be having on the general population, CoMission posed the question, **“Have you had to take any furlough or layoff actions as a result of the pandemic?”** The results indicate that over 70 percent of participating businesses have either laid-off or furloughed some amount of their staff. Nearly 35 percent of all responses indicated that they’ve laid-off or furloughed 100% of their employees, making this the most common answer to this question with partial employee hourly reductions comprising around 30 percent, and unchanged employee hours at 26 percent.

To determine whether Sebastopol businesses were finding relief from in state and/or federal funds, the question was asked, **“Have you attempted to access federal and/or state relief programs related to the pandemic? (for example, PPP, SBA, EIDL, CARES act sick pay credits, etc.)?”** The results show 75% of all respondents had applied for some form of relief fund. The results of this question itself are informative to understanding the broad need for funding assistance in our business community. Additionally by asking the follow up question of **“Were you successful in receiving aid from any/all of these programs?”** we can determine how many of those 75% who pursued these funds were granted them. The results to this question are similar to the amount that applied, at 73%. Of those that applied and were granted funds, the question was asked, **“Which programs/funds did you engage with?”** The results of that are broken down as follows:

Assistance Program	Applied (#)	Accepted (#)	% Accepted
Paycheck Protection Program (PPP)	73	58	79.5%
Economic Injury Disaster Loans (EIDL) Grants and Loans	35	29	82.9%
Pandemic Unemployment Assistance (PUA) or Employment Development Department (EDD) Insurance	7	5	71.4%
The Coronavirus Aid, Relief, and Economic Security (CARES) Act Employee Retention Credits, Sick pay Credits etc.	7	6	85.7%
Other Grants or Loans	7	5	N/A*

As illustrated in the table above, just under half of all businesses who applied for federal or state assistance were granted funds provided through the Paycheck Protection Program (PPP). Thirty-six businesses never applied for federal or state relief programs.

Overall, a large majority of businesses that responded to the survey indicated that they 1) applied for financial assistance, and 2) were awarded that assistance. Those businesses that indicated they were unable to access those funds, and who also indicated they would use assistance in accessing those funds were invited to meet with CoMission’s staff to aide in processing their applications. Twenty-six businesses were contacted this way but at the time of this report, only 6 of those businesses have responded. . All six of those were helped with both accessing funding and interpreting reopening guidelines. We anticipate more will engage over the next few weeks.

Having asked these questions in a Likert-format allows CoMission and the City of Sebastopol to ask these important questions again in order to measure the changes within the business community over time.

Should the City find it beneficial to do one or several follow up surveys, we will be able to track the rate and demographics of recovery.

Qualitative Findings

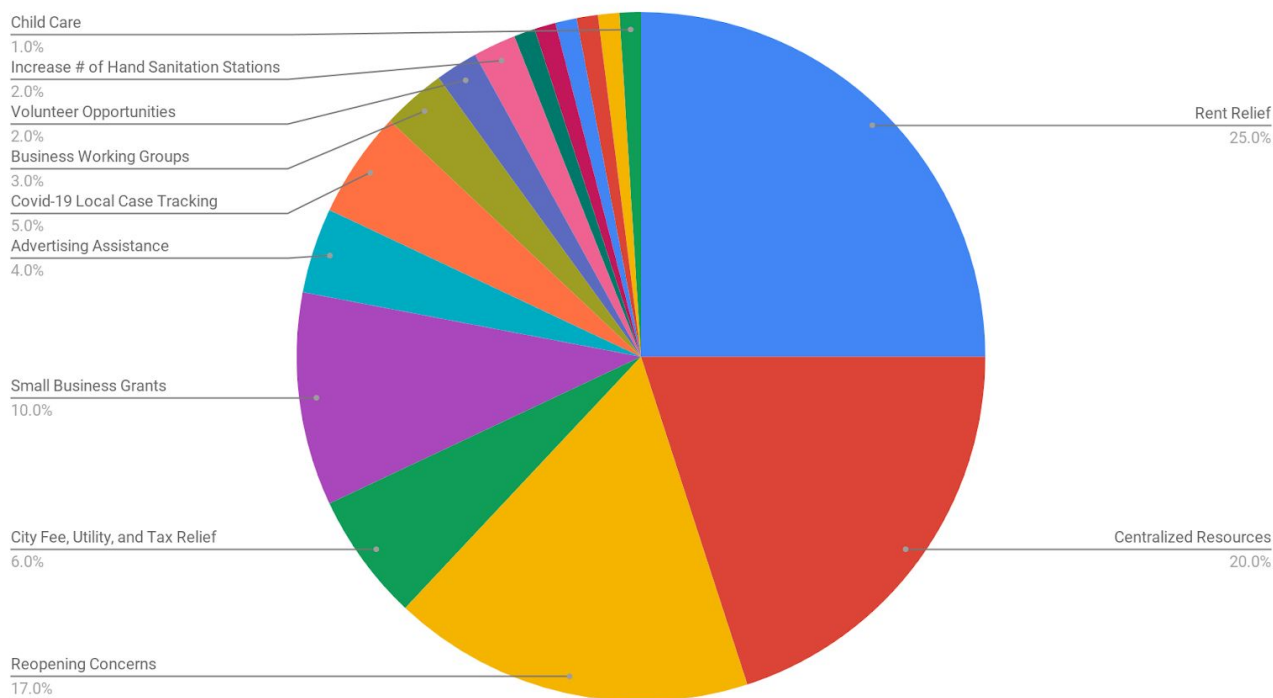
Of the 160 survey responses received from local businesses in Sebastopol, 81 of those contained qualitative responses that were analyzed for presence of key words and phrases. The most common suggestions for support included:

- Rent reduction/elimination (25 responses)
- Centralized info, not necessarily online, where businesses can get information from the City that they can trust (20 responses)
- Reopening concerns, resources for the process and guideline adherence, city flexibility, funds to support changing cleanliness requirements (17 responses)
- Establishing a way for the community to invest in local businesses (ie business grant development program) (10 responses)
- Tax and Fee/utilities reduction or elimination (6 responses)
- Adding a # of local cases of COVID-19 to the website, so that people can track whether or not they want to be open for stretches of time, in real time-- They want to make the decision on their own (5 responses)
- Request for free advertising, either through the Chamber of Commerce, making street signs and increase foot traffic flow to businesses (4 responses)
- Establishment of Business working groups as a means to share information and report to the city about collective needs (3 responses)
- Awareness of volunteer opportunities (2 responses)
- Installation of hand sanitation stations throughout the city (2 responses)

There were also a number of notable responses that were not received in volume but we felt contained interesting ideas or potential actions for the city to consider:

- Business and non-profit collaboration where goals are aligned to help the community get back on its feet
- Success found in offering take-home kits or pre-assembled packages for delivery and later curbside pickup, allowing for streamlined purchase that fulfills a dire need for quality of life improvement
- Reconsider open container laws to create a more open air environment where customers can fluidly patronize multiple businesses
- Advocate for reformed Commercial Kitchen requirements-- businesses who are able to get Cottage Food permitting for their food businesses have had an easier time surviving because they aren't paying exorbitant rent for use of a commercial kitchen, can operate from home
- Child Care assistance and coordination program
- Increased security for businesses in the later phases of opening to help protect from theft and vandalism while they are unoccupied

Total Survey Responses Containing Key Words and Phrases (%)



Sebastopol’s COVID-19 Resource Page

At the request of City staff, we asked respondents if they were aware of the Sebastopol COVID-19 information and resource page at [https://ci.sebastopol.ca.us/Article/Novel-Coronavirus-\(COVID-19\)-Resource-Page](https://ci.sebastopol.ca.us/Article/Novel-Coronavirus-(COVID-19)-Resource-Page), as well as any feedback they had about the type and quality of information presented there. Of the 160 respondents, 88 reported that they weren’t aware of the page. A link to the Sebastopol COVID-19 resource page was included in the question so that all respondents would have the opportunity to give feedback on what they would like to see. These responses included the following:

- Downloadable signage for safe social distancing guidelines for customers
- Registry of businesses as they reopen (this has since been added to the page!)
- Forums or other hosted methods of community communications
- Testing locations
- Marketing opportunities
- Volunteer opportunities
- More information on face mask effectiveness and requirements
- A general assurance that the City is committed to working with local businesses to support a successful reopening

Conclusions

Compiling the data from reported revenue loss and furloughs/layoffs shows a total drop in commercial activity somewhere between 53-57%. This survey was taken approximately 2 months into the shelter order and likely represents the worst of sustained economic losses in our City. Combined with the anecdotal information shared with us via qualitative survey questions and direct conversations, it is clear that a large portion of our local businesses are in extremely vulnerable states. Permanent closures represent more than just vacant storefronts, they represent job losses for our residents, and decreased local sales tax for our community funds. As we move towards reopening, it will be critical to bring swift and effective support to these businesses.

Possible Actions to Address Primary Challenges

- **Commercial Rental Relief** - We have observed through these survey responses as well as through the emergency business support calls that businesses with inflexible landlords are at higher risk of permanent closure. Shockingly, some of our local businesses have even reported being threatened with eviction during this time. Since the State of California has not given any official orders on commercial leases, this leaves negotiations up to each individual tenant. Anecdotally, we estimate about 70% of landlords are splitting the burden, offering a 50% rent relief with no payback, as well as options for delayed payments. Since banks are allowing mortgage delays with no penalties, this seems like the most reasonable method of preserving a healthy and sustainable local economy. Here are some options that the City may consider to support this issue:
 - City mandate on commercial rent relief structure
 - Advocating for renters in restructuring leases through declaration
 - Incentives for landlords who offer minimum partial rental relief with direct landlord outreach
 - Calling upon the Governor to implement a commercial eviction moratorium and rent relief, and organizing with the League of Cities for the same
 - Resources such as municipal credits or loans for struggling businesses who have had to pay full rent during the shelter order
- **Business Success Assistance** - Many businesses are in extremely vulnerable positions right now, and will need both luck and diligence to survive the coming months. Here are some ways the City can help increase their chances of surviving and thriving into the future:
 - Business and financial management support
 - CoMission plans to focus on topics like cash flow forecasting in upcoming webinars, but the city website and newsletters could also include links to other free small business resources such as the [Small Business Development Center](#), [Sonoma County Economic Development Board](#), and [North Coast SCORE](#).
 - Financial assistance in the form of low or no interest loans or grants, similar to Healdsburg's model program outlined at <https://www.ci.healdsburg.ca.us/982/Help-for-Businesses-Impacted-by-Coronavi>
 - The City could also work with the Chamber of Commerce to create an independent grants program working with local banks and credit unions, who may be able to

leverage some of their required community giving towards this end, or host fundraisers aimed at supporting keeping local businesses open.

- If funding is not available for these types of programs, consider allowing businesses hit hardest to apply for waived or delayed local taxes and fees.
- Regular local business spotlights and community events similar to the reopening July events, planned across the calendar year
- **Consumer (and Operator) Confidence** - This one is CRITICAL, economists all over are calling for municipalities to help increase what they are calling “consumer confidence” to make residents feel safer coming back into the public space to support local businesses. We heard a similar sentiment echoed by several business operators, about feeling unsure if it is really safe to reopen. This stems both from a fear that information they have is not the best, most up to date information, and also that with the transition to reopen amidst still climbing infection numbers, what techniques are going to protect them from the 300+ known cases as well as the indeterminate number of undiagnosed cases out and about in public.
 - Design and post for use Sebastopol-branded signage for business entrances with guidelines for customers such as the following
https://srcity.org/DocumentCenter/View/28006/Flyer_Attention_85x11_FINAL2
 - Host a series of safety trainings for operators that goes beyond the state checklists, explaining the science behind safety precautions like the masks and sanitization, including potentially a doctor or nurse from a major local hospital that is dealing with the pandemic first hand.
 - Educate the public about what safety precautions should be taken in businesses so they ask pertinent questions, look for protocol adherence, and feel they have the knowledge and agency to make their own educated decisions about where they feel safe. Knowledge is power!
- **Reopening Support** - As we enter the reopening phases, most small business owners are concerned with bringing revenue back in as swiftly as possible. There are also a number of new expenses businesses will be required to bear, such as cost of sterilization supplies, additional staff to conduct safe distancing crowd management, etc. Finally, the reopening guidelines given by the State and County are confusing, as several businesses have described “written in legalese”. To help our business make a smooth transition, we recommend the City consider the following:
 - City organized reopening event designed to help boost initial revenue while supporting safe social distancing behaviors (in motion with the July Inter-Dependence effort)
 - This concept was discussed and given some life at a meeting with local business leaders including the SDA, Sebastopol Chamber of Commerce, Barlow, Sonoma West Times and News, Made Local, and others.
 - Hand sanitizer stations posted around the city’s business districts
 - Create priority triage system within city staff and civic service departments to swiftly and effectively support businesses and remove obstacles during recovery
 - Approach old policies with an open and refreshed perspective to see if there are any existing restrictions that may be working against community vitality in the post-pandemic paradigm
 - Webinars on health orders and reopening guidelines

- CoMission had planned on implementing a webinar series as part of the next phase, and we could easily prioritize this to happen in the next couple weeks.
- **Central Pandemic Information** - There is a lot of information that is changing very quickly which can be very frustrating to find and even more difficult to decipher. Several survey respondents referenced their hesitancy to trust data about the pandemic, while others wished there were offline resources for gathering information. While the City's COVID-19 resource page was generally met with positivity here are some more ways information could be shared to the benefit of the community:
 - Treat the page as a live resource, updating regularly as the situation changes
 - Create alerts or newsletters that go out whenever the State or County release new information
 - Direct link to CoMission could be provided on the city website with explicit "Need help in interpreting and implementing these new guidelines?" label.
 - Include a port of real time data regarding current case count from the Sonoma County COVID-19 statistics page or explicitly label the link that already exists on the City page as "Find Real Time Sonoma County COVID-19 Case Statistics HERE"
 - Physical information postings around town for those without internet support
- **Other things to consider**
 - Aside from recovery, we need to be also preparing for the next shutdown (second wave of covid, fires, power shutoffs, etc.)
 - Where funding is not available, advocate at the county, state, and national level for changes that benefit our community
 - Design a different approach to the next shutdowns, prioritizing small business over the big chains that were deemed essential
 - Levy additional taxes on big chains that are making massive profits on pandemics due to the forced shutdown of their mom and pop competitors
 - Support licensing and training for childcare so new graduates can help fill this role while the job market is down
 - Coordinate for central delivery program, e.g. "local doordash"
 - Considering the massive drop in revenue and employment for our local business community, immediately reopen our town for commerce in an attractive and safe way, while observing social distancing guidelines
 - Support existing local businesses to reopen, stay open, and to expand offerings
 - Incubate new business growth to strengthen the local economy and create job and career opportunities during record unemployment
 - Facilitate volunteer efforts that support our local economy

Community Vitality Project Next Steps

Per the direction of the City Manager, CoMission has been running a full-court press, however can slow down, maintain the same metabolism, or speed up depending on need and budget.

In addition to completing this business survey and report, CoMission is wrapping up their Community Benefits Organization survey and organizing local business leaders on a July safe 'reopening' series of virtual and in-person events and activities. CoMission has also leveraged physical resources of seeds and

plants for Sebastopol residents, and will continue to coordinate with the City Manager on ever changing current events, health orders, and necessary strategic efforts to maximize our collective impact for the greatest good possible.

CoMission has identified the following priority actions for the Community Vitality Project:

- **Provide a webinar series covering topics relevant to survey responses including:**
 - Reopening guidelines and safe operations in the post-pandemic paradigm
 - Cash Flow Forecasting including provided tools and training
 - Online presence and transitioning to dual physical/digital operations
 - Other topics as recommended by city leaders
- **Conduct Sebastopol-wide Resident Survey**
 - Assess pandemic impact and needs experienced by households for purposes of implementing solutions
 - Invite participation to and volunteerism for the July Inter-Dependence event, webinars, and other local programs
 - Solicit ideas and desires for future enhancement of our community
- **Work with the Sebastopol Virtual Business-Council on a July Inter-Dependence campaign**
 - Maintain weekly meetings with Business Council
 - Create and distribute design assets for promotion
 - Identify and promote offerings of complementary business/CBOpartnerships
 - Facilitate contest and prize efforts to make the Inter-Dependence campaign fun and festive
 - Implement a Shop Sebastopol Safely campaign, complete with trainings, window decal for participants, and other support as needed
- **Work with Nonprofits to leverage resources**
 - Provide written report of findings to the City Council
 - Work with each non profit to identify what they need and resources they can share
 - Create a non profit council to identify shared resource opportunities
- **Advance Food Security**
 - Facilitate volunteers to work on food security efforts; install edible landscaping in public and private, offer seed and plant material to residents who need it
 - Assist local food pantries in securing surplus food for redistribution
 - Work with schools and our Supervisor to create West County food partnerships
- **Work with the City Manager to facilitate a City Council Study Session**
 - Drill into the problems, then identify and prioritize solutions
 - Brainstorm on new ideas and encourage our whole community thinking outside of the box
 - Bring back formal Council actions to consider at subsequent City Council meetings