UCLA Latino Policy & Politics Institute

INCLUSIVE ACTION FOR THE CITY

Beyond The Cost of Fear:

A Policy Action Guide for Protecting Immigrant Small Businesses & Entrepreneurs in California

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Table of Contents

3 Letter to the Reader

4 About this Policy Action Guide

5 Policy Recommendations

5 Strategy 1: Protect small businesses during a crisis

6 Recommendation 1.1: Recognize economic disruption as an emergency under state law

7 Recommendation 1.2: Protect small businesses from utility shutoffs and simplify fee relief during declared emergencies

8 Recommendation 1.3: Protect small businesses from eviction during declared emergencies

9 Recommendation 1.4: Protect small businesses from rent price gouging during declared emergencies

10 Recommendation 1.5: Establish a standing network of community organizations to help small businesses during declared emergencies

11 Recommendation 1.6: Reach business owners with trusted, multilingual alerts during emergencies

12 Strategy 2: Build lasting support before the next crisis begins

13 Recommendation 2.1: Increase commercial tenant protections for community-serving small businesses

14 Recommendation 2.2: Make preparedness training permanent and expand it to immigration enforcement

15 Recommendation 2.3: Permanently fund the Social Entrepreneurs for Economic Development (SEED) Initiative

16 Recommendation 2.4: Expand Listos California to reach small businesses and street vendors

17 Recommendation 2.5: Create a permanent safety net for workers and entrepreneurs left out of unemployment benefits

18 Recommendation 2.6: Create a permanent council to prepare the state's economic response to address future crises

19 Recommendation 2.7: Bring mental health support directly to business owners in impacted corridors

20 Conclusion

21 Acknowledgements

21 Disclaimer

22 Endnotes

Letter to the Reader

Dear Reader,

Across our neighborhoods, small business corridors, and street vendor hubs, local economies are experiencing unprecedented hardship. One threat facing our small businesses, street vendors, and entrepreneurs is federal immigration enforcement and the costs it creates.

When immigration enforcement targets a neighborhood, fear spreads through entire small-business ecosystems. In July 2026, we published *The Cost of Fear*, which found that within two weeks of the June 2025 raids in and around Los Angeles County, 989 businesses near nine enforcement sites experienced 46,000 fewer customer visits and lost an estimated $3.16 million in revenue. Nearly one year later, 95% of the entrepreneurs we surveyed were still experiencing financial stress.

While the raids continue to be devastating, there is a path forward. Those most affected by enforcement know what they need to recover, and this guide draws from that knowledge. We hosted policy *pláticas*, policy conversations in which small business owners and entrepreneurs who participated in *The Cost of Fear* report reconvened to help identify solutions. This guide reflects their recommendations, alongside those from 23 organizations across Los Angeles County.

Onward,

Dr. Amada Armenta, *Director*, UCLA Latino Policy & Politics Institute
Doug Smith, *Interim CEO*, Inclusive Action for the City
Rudy Espinoza, *CEO*, Inclusive Action for the City



Community-based organizations join UCLA LPPI and IAC at the CBO & Entrepreneur Policy Pláticas.
Photo credit: UCLA Latino Policy & Politics Institute

About this Policy Action Guide

This guide was jointly developed by Inclusive Action for the City (IAC), an economic justice nonprofit and community development financial institution (CDFI), and the UCLA Latino Policy & Politics Institute (LPPI). It builds on the findings of our July 2026 report, *The Cost of Fear*.

The recommendations draw on policy *pláticas* (policy conversations), a community-centered method in which people with direct lived experience reflect on research findings and help identify solutions that reflect community needs and priorities. IAC and LPPI co-hosted two policy *pláticas*: one with representatives from 23 community and advocacy organizations, and one with 43 entrepreneurs. Participants discussed experiences with relief and aid programs and identified critical service gaps across a range of small businesses, including brick-and-mortar shops, street vendors, and microbusinesses.

To turn these community-identified priorities into actionable strategies, LPPI and IAC reviewed existing state and local programs, identified policy frameworks from other states and municipalities that could meet each need, and drafted specific policy recommendations grouped in two strategies.

The **recommendations that follow advocate for shifting from reactive emergency responses to permanent protective investments,** so that communities are equipped to handle the next crisis.

Community-Based Organization (CBO) Policy *Plática*

The first *plática* convened 23 community organizations and advocates invited based on their work supporting small businesses and immigrant communities across Los Angeles County. Participants heard a brief presentation on *The Cost of Fear* report, then split into three groups to discuss the report findings, gaps in existing policy, and how to make policy recommendations actionable.

Entrepreneurs Policy *Plática*

The second *plática* brought together 43 entrepreneurs and small business owners across Los Angeles County who had participated in focus group interviews for *The Cost of Fear* report. The *plática* was mostly conducted in Spanish, with one breakout group held in English. Entrepreneurs heard a brief presentation outlining the report's findings, followed by breakout sessions and group discussions. All five breakout groups discussed their reactions to the report, recovery and support needs, and policy recommendations. In recognition of their time and expertise, entrepreneurs received a $200 stipend for their participation.

Policy Recommendations

This section outlines policy recommendations for local and state governments, organized into two key strategies: (1) expand the protections and resources available to small businesses during a crisis; and (2) build lasting support before the next crisis begins. Each strategy includes a number of recommendations marked as a state or local action, with some involving both.

Recommendation Legend:

 **STATE**

 **LOCAL**

Strategy 1: Protect small businesses during a crisis

Redefine what constitutes an emergency and expand the automatic protections that follow

For small businesses, economic disruption is a form of crisis. They feel the impact instantly, as customers stay home, revenue drops, and bills keep piling up. Business owners work to identify how to cover rent and utilities and where they can find trusted information. What we heard from the *pláticas* was nearly universal: government support moves too slowly for the pace of today's crises, and it often misses the smallest businesses, street vendors, and immigrant entrepreneurs who are hit hardest and often have the fewest resources available.

The recommendations in this section focus on the immediate aftermath of an economic disruption, ensuring events like the 2025 immigration enforcement raids meet the criteria necessary to declare a state of emergency. They then set out protections including relief from fixed costs, stronger safeguards against eviction and rent increases, a standing network of trusted community-based organizations (CBOs) ready to help, and a reliable way to get accurate information to business owners in their own language.



Recommendation 1.1: Recognize economic disruption as an emergency under state law

Policy Action: Expand the legal definition of both a "state of emergency" and a "local emergency" under the California Emergency Services Act (CESA) to explicitly include severe, localized economic disruptions and social displacement events, such as a sudden drop in business revenue following a specific event, the collapse of a commercial corridor, enforcement-driven business closures, or major supply chain disruptions as grounds for a state or local emergency declaration.[1] An economic emergency declaration would activate the following recommendations.

Rationale: In October 2025, the Los Angeles County Board of Supervisors proclaimed a local emergency in response to the federal immigration raids that began four months earlier in June. The proclamation stated that the raids created "extreme peril to the safety of persons and property" under CESA (Cal. Gov. Code § 8558).[2] The County pointed to residents afraid to go to work, a 62% drop in immigrants' average weekly earnings, and a 3.1% drop in private-sector employment.[3]

Currently, CESA does not list economic disruption among the conditions that can justify a declared state of emergency. This creates additional burden for localities, leaving them to build case-specific legal rationale as they navigate the emergency. For example, Los Angeles County had to rely on the broad "other conditions" language to justify its declaration under the emergency framework originally designed to address physical disasters such as fires, floods, earthquakes, riots, and public health epidemics. This gap leaves local declarations vulnerable to legal challenges, a concern raised during the Board's discussions of the October 2025 local emergency proclamation.[4] The slow process of building the legal rationale leaves families and businesses unprotected when they most need support.

Other states already recognize economic disruption in their emergency laws. Utah's Emergency Management Act includes economic and social disruption in its definition of a disaster.[5] The state of Ohio covers widespread personal hardship caused by human action.[6] California has updated its own definition repeatedly as new threats have emerged, adding conditions like cyberterrorism, electromagnetic pulse attacks, and planned utility power shutoffs, with amendments to the law as recent as 2022.[7] This recommendation extends that same recognition to economic crises that threaten small business corridors. It also builds on LPPI's 2025 policy roadmap for Latina and women entrepreneurs, which called for broadening California's definition of a state of emergency.[8]

Recommendation 1.2: Protect small businesses from utility shutoffs and simplify fee relief during declared emergencies

Policy Action: Extend protections under California's Water Shutoff Protection Act (SB 998) to give small business accounts advance notice and payment plan options, and to pause water shutoffs for small businesses during a declared state or local emergency. These protections mirror existing California Public Utilities Commission (CPUC) requirements for electric and gas utilities to support small businesses during a declared state of emergency.[9] The recommendation also invites counties and cities to create a single streamlined hardship application offering a 12-month waiver of essential fixed costs, including utilities, administrative, licensing, and business permit fees, along with interest-free payment plans of up to four years for past-due utility bills.

Rationale: Community members who joined the *pláticas* emphasized how the stress of covering essential operating expenses like water and power made it hard to keep their doors open. Under California's Water Shutoff Protection Act (SB 998), residential customers are protected from water shutoffs during financial hardship, but small businesses are excluded.[10] When a disaster disrupts service during a declared state of emergency, the CPUC already requires investor-owned electric and gas utilities to offer emergency protections, including payment plans and deposit waivers to residential and small business customers.[11] During COVID-19, the CPUC extended protections, including suspending disconnections to all small business customers statewide.[12] However, the rules exclude municipal utilities like the Los Angeles Department of Water and Power (LADWP) and are limited by the current definition of disasters *(see recommendation 1.1)*. These changes could establish consistent, statewide water service protections for small businesses rather than leaving those decisions to individual cities or utility companies.

Owners seeking utility payment relief often have to navigate separate applications since licenses, utilities, and permits are managed by different departments. This process can be complicated and lengthy, at times leaving business owners without clear information about their application status. The County's Small Business Resiliency Fund, created in response to the raids, was announced three months after enforcement began, followed by several months to review and disburse funds to small businesses. The fund supported 1,327 businesses out of the more than 3,400 businesses that applied. A more comprehensive approach creates an opportunity to expand both the promptness and the reach of this valuable support.[13]

Local governments have provided strong, comprehensive fee and utility relief before. During COVID-19, LADWP extended utility repayment periods up to four years for low-income and Lifeline participants, and up to three years for other qualifying customers, providing more than $700 million in utility assistance over four years.[14] After the January 2024 storms, the City of San Diego offered reimbursement grants up to $5,000 to small businesses in its hardest hit and lowest income neighborhoods, covering costs like inventory, repairs, and lost revenue.[15] By protecting small businesses from shutoffs in the state law and streamlining relief locally, small businesses would no longer have to choose between paying their bills and keeping their doors open.

Recommendation 1.3: Protect small businesses from eviction during declared emergencies

Policy Action: Protect small businesses from eviction during declared emergencies. Stronger protections would take effect automatically when the Governor declares a state of emergency or a city or county proclaims a local emergency. Eligible businesses whose revenue is affected by the declared emergency would receive protection from eviction due to missed payments during the emergency. Additionally, they would be granted at least 12 months to repay the balance without interest or late fees. Small property owners would be prioritized for emergency grants and property tax relief.

Rationale: In 2024, California passed the Commercial Tenant Protection Act (SB 1103) to give the state's smallest businesses important safeguards. These protections included requiring leases in the language used to negotiate them, longer notice periods for rent increases and lease terminations, and transparency around building costs.[16] Building on that momentum, there is an opportunity for the Legislature to close a remaining gap: landlords can still evict a longtime neighborhood business, or refuse to renew their lease without any given reason. Residential renters have had protection from this kind of eviction statewide since 2019, when California passed the Tenant Protection Act (AB 1482).[17] Small businesses have no comparable protection. Because state law bars cities and counties from regulating the length or renewal of commercial leases, only the Legislature can close this gap.

After the 2025 raids, 68% of entrepreneurs surveyed for *The Cost of Fear* temporarily closed or reduced their hours, and nearly a year later, 52% said their revenue still did not consistently cover their operating costs.[18] California has used these protections before, but only temporarily. During COVID-19, Executive Order N-28-20 authorized local governments to halt commercial evictions, leaving protection up to each city and county.[19] Los Angeles County used that authority to protect its smallest businesses, letting them self-certify hardship and giving them 12 months to repay outstanding rent.[20]

Other states have done this successfully. During COVID-19, New York passed a state law that protected small businesses from eviction if they filed a hardship declaration, while also protecting small property owners from foreclosure.[21] Although California's Legislature considered a statewide version for businesses in 2020, SB 939 died in committee.[22] In 2026, SB 1243 would have protected residential tenants whose income was hurt by immigration enforcement. This bill was held in committee and ultimately did not include small businesses.[23] A standing state law would give small businesses protection that does not depend on a new executive order, local ordinance, or bill each time an emergency hits. This would also give landlords and tenants clear rules in advance, allowing for a more proactive approach.

Recommendation 1.4: Protect small businesses from rent price gouging during declared emergencies

Policy Action: Expand California's anti-price-gouging law to cover commercial rent for the state's smallest businesses, including microenterprises, small restaurants, and small nonprofits that self-certify as eligible.[24] When the Governor declares a state of emergency or a city or county proclaims a local emergency, the law would prohibit landlords from raising the rent or adding new fees, including pass-through charges for operating costs, throughout the emergency and for 12 months afterward.

Rationale: Small business owners in our *pláticas* described rent as one of the biggest threats they faced during and after the raids. California has no limit on how much commercial rent can go up, and local governments are banned from creating one, even during a declared emergency.[25] Public Counsel has represented small commercial tenants whose rent rose as much as 200% in a single year.[26] For a business already losing customers and revenue, such increases can force it to close or relocate, even with eviction protections in place.

California already protects residential renters from price gouging during emergencies. Under Penal Code section 396, landlords cannot raise rent on housing by more than 10% during and shortly after a declared emergency, and cannot evict a tenant to re-rent the unit at a higher price. However, the law does not cover commercial rent, and its 30-day protection period is too short for small businesses, which often take longer to recover.

Lawmakers tried to close this gap in 2025 through Price Gouging (AB 380), authored by Assemblymember Mark González and sponsored by Public Counsel and Strategic Actions for a Just Economy.[27] The bill would have added commercial property to the state's price-gouging law, barring rent increases of more than 10% during an emergency and for 60 days after. It would have also stopped landlords from evicting a commercial tenant to re-rent the space at a higher price. The bill passed the Assembly 49-9 with support from the Los Angeles County Board of Supervisors, but was held in Senate Appropriations.[28] This recommendation would focus protection on the smallest businesses, which are least able to absorb sudden rent increases.



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Recommendation 1.5: Establish a standing network of community organizations to help small businesses during declared emergencies

Policy Action: Enact a state law creating a standing, regional network of community organizations that activate when the Governor declares a state of emergency or a city or county proclaims a local emergency, to help small businesses, including brick-and-mortar shops, street vendors, and independent entrepreneurs. Following the structure of California Department of Social Services (CDSS) Regional Network Hubs, each region would have a lead organization and vetted partners selected and contracted in advance, with funding paid up front so state, local, and philanthropic relief can reach businesses immediately.[29] These organizations would help small business owners apply for relief, receive financial and legal advice, and access peer support and wellness services. The program would protect applicants' personal information and would not ask about immigration status.

Rationale: Community-based organizations are often the first to respond when a crisis hits small business ecosystems because communities trust them, but they lack the dedicated funding and infrastructure needed to mobilize quickly. The state usually signs contracts with these groups only after an emergency begins, which can take months, and most state grants reimburse only after they have spent their own money.[30] Small nonprofits cannot float those costs, so relief often slows down just when it is needed most.

There is already a strong precedent showing that California is capable of adopting a faster approach. Through its Immigration Services Funding program, CDSS works with regional program administrators across Los Angeles, San Diego, the Bay Area, the Central Valley, and the Inland Empire.[31] CDSS has also launched Regional Network Hubs for Immigrant Families in 11 regions to coordinate legal services, information, and other support services.[32] The Regional Broadband Consortia also follows a similar approach, with one coalition per region helping streamline state grants to organizations addressing the digital divide.[33] While the CDSS hubs serve immigrant families, this network model would serve any small business affected by a declared emergency.

Other states and counties offer similar models as well. Illinois funds a statewide network of community-run Welcoming Centers for immigrants. During COVID-19, the state used that existing network to deliver $30 million in emergency support, including housing and utility assistance.[34] New York funded 75 community organizations to help workers apply for its Excluded Workers Fund.[35] Los Angeles County turned its pandemic partnerships with community organizations into Community Public Health Teams. These standing partnerships between community groups, clinics, and Public Health staff now serve 10 high-need areas, including Huntington Park, one of the communities affected by the 2025 raids.[36] State-Funded Assistance Grants and Contracts: Advance Payments (AB 590), passed in 2023, allows state agencies to pay nonprofits up to 25% of their funding in advance.[37] This recommendation brings these pieces together, so trusted organizations are funded and prepared for future emergencies.

Recommendation 1.6: Reach business owners with trusted, multilingual alerts during emergencies

Policy Action: Create an official, multilingual Los Angeles County WhatsApp channel that sends verified emergency alerts and resource updates to small business owners, street vendors, and immigrant communities in their preferred language. The County would run a separate channel for each of its most widely spoken languages. The channel would work like a bulletin board where the County posts short, visual, and audio-friendly updates. Followers would join anonymously, without registering or sharing personal information, and no one, including County officials and the public, could access identifiable data such as names or phone numbers. Los Angeles County Office of Immigrant Affairs (OIA) would run the channels year-round, and Los Angeles County Office of Emergency Management (OEM) would use them to send urgent alerts during emergencies. Community organizations and merchant associations would share the links to join, and the County would collect no personal information from followers.

Rationale: Business owners and CBOs in our *pláticas* described how rumors and unverified warnings spread quickly through informal group chats during the raids, leaving business owners unsure which reports to trust or whether it was safe to open for business. Many said they rely on WhatsApp to stay informed, while official alerts, such as emails and emergency text systems, often require registering with personal information and do not always reach immigrant and limited English speaking business owners.

There is strong precedent for this approach. In 2026, New York City launched El Chisme Oficial de NYC, a Spanish-language WhatsApp channel for city news, resources, and alerts, which reached more than 10,000 followers within days.[38] Summit County, Utah, also uses a one-way WhatsApp channel for its Spanish-speaking residents, "Condado de Summit Utah," and uses it to share evacuation alerts.[39] In 2025, Summit County used it to alert residents of a nearby gas leak. Internationally, a case study of Spain's national government channel found WhatsApp to be a reliable source for public information, with activity peaking during crises like nationwide outages.[40] The County can use these models as a guide to implement a communication channel that reaches small businesses and entrepreneurs during times of declared emergencies.



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Strategy 2: Build lasting support before the next crisis begins

Invest in the programs and partners that help small businesses build resilience and prepare to withstand future disruption

The protections in Strategy 1 help small businesses survive a crisis once it hits. However, much of the support that carried businesses through the 2025 raids was temporary. The harm also went beyond lost revenue. In *The Cost of Fear*, 76% of surveyed entrepreneurs said enforcement impacted their health and well-being, describing panic attacks, insomnia, and worsening of chronic conditions.[41] Community organizations stepped in to fill the gap, offering emotional support and safety net services despite lacking the resources needed to meet those demands. The recommendations in this section advocate for lasting support over one-time responses. They focus on helping business owners plan for disruption, giving trusted community organizations stable funding, closing gaps in the safety net, coordinating the state's response in advance, and bringing mental health support to the corridors where owners work.



Photo Credit: FG Trade Latin, iStock

Recommendation 2.1: Increase commercial tenant protections for community-serving small businesses

Policy Action: Remove barriers that keep cities and counties from protecting small businesses, including microenterprises, small restaurants, and small nonprofits, from displacement. Local governments can adopt protections that fit the needs of their own commercial corridors, such as limits on yearly rent increases, protection from harassment, and support for longtime businesses at risk of losing their space.

Rationale: Owners across Los Angeles County have described rent increases ranging from 30% to more than 200% in a single year. Some businesses are able to stay open by negotiating lower rates, while others are forced to close with little to no resources.[42] State law currently prevents local jurisdictions from effectively responding to these threats. Stronger commercial tenant protections – including prohibitions on egregious rent gouging and "just cause" policies that limit reasons for eviction – would provide small businesses the same kind of stability California already gives residential renters.[43] New York is currently considering a bill to cap yearly increases for small businesses, providing a model that California could follow.[44] This recommendation would restore local authority and would give longtime businesses the stability to plan, invest, and stay in the neighborhoods they helped build.



Photo Credit: Jonathan W. Cohen, iStock

Recommendation 2.2: Make preparedness training permanent and expand it to immigration enforcement

Policy Action: Make the Outsmart Disaster program, run by the California Office of the Small Business Advocate (CalOSBA), permanent and fully staffed, and expand it beyond natural disasters to cover economic disruptions like immigration enforcement. The program would build on the immigration preparedness guides and training that the Governor's Office of Business and Economic Development (GO-Biz) and CalOSBA have already developed with Public Counsel and other partners. These resources would help business owners plan for sudden drops in customers, staff absences, and temporary closures, while also helping them understand their rights and responsibilities during workplace enforcement.[45] The state would fund trusted community organizations, legal services providers, merchant associations, and chambers of commerce to deliver this training in multiple languages through the program's Certified Trainer network.[46]

Rationale: After the 2025 raids, business owners had to make fast decisions about whether to close, how to protect employees, and what to do if agents arrived, often with no guidance. Since then, preparedness resources have grown. For example, GO-Biz published step-by-step guides to help businesses prepare for immigration enforcement. GO-Biz also joined CalOSBA, Public Counsel, and the California Chamber of Commerce (CalChamber) in developing immigration compliance training for small businesses.[47]

California already has a tool to help: Outsmart Disaster, a free statewide training program that helps businesses create a "Resiliency Roadmap" to prepare for disruptions.[48] However, its materials focus on natural disasters, power outages, and cyberattacks, and the program is run by two limited-term staff members.[49] Expanding and permanently staffing the program would bring these efforts together, so business owners are prepared for future emergencies.



Photo Credit: Frazao Studio Latino, iStock

Recommendation 2.3: Permanently fund the Social Entrepreneurs for Economic Development (SEED) Initiative

Policy Action: Provide SEED, the state's grant and training program for immigrant entrepreneurs, with ongoing dedicated annual funding, so it does not depend on one-time budget allocations. Stable funding would allow community organizations to keep providing micro-grants, business training, and support for worker cooperatives year-round, and help immigrant-owned businesses access assistance before and during economic disruptions.[50]

Rationale: Since 2020, SEED has provided micro-grants, training, and technical assistance to immigrants and people with limited English proficiency who want to start or grow a small business. The program has become one of the state's most successful small business programs, and demand far exceeds what it can fund. In the most recent grant round, organizations submitted 124 proposals for just $6.75 million in available funding.[51] Currently, SEED is funded on a per-budget-year basis, so the community organizations that run it cannot count on funding from one year to the next. That uncertainty makes it hard to keep bilingual staff, plan ahead, or provide steady support to entrepreneurs still recovering from the 2025 raids.

Other states have given entrepreneurship programs lasting funding. Minnesota's Emerging Entrepreneur Program, which dates back to 1994, has its own dedicated account in state law and funds community lenders, including Community Development Financial Institutions (CDFIs), to support businesses owned by low-income and minority entrepreneurs.[52] California has also made this kind of shift before: Listos California, the state's community-based preparedness program, moved from a temporary campaign to ongoing funding in 2021 *(see recommendation 2.4)*.



Photo Credit: FG Trade Latin, iStock

Recommendation 2.4: Expand Listos California to reach small businesses and street vendors

Policy Action: Write Listos California, the state's community-based emergency preparedness program, into state law. Expand grant eligibility beyond areas at risk of natural disasters to include communities facing economic emergencies and add small business owners and street vendors as priority audiences, with a focus on those hardest to reach. Funded CBOs would conduct in-language outreach through trusted messengers in the commercial corridors, markets, and vending sites where owners work, helping them prepare for disruptions in advance and connecting them to resources like Outsmart Disaster trainings.

Rationale: Since 2019, Listos California has funded community organizations to deliver culturally competent emergency preparedness to Californians who often miss official outreach, including low-income communities and multilingual residents.[53] The program's grants are targeted to support communities most at risk of natural disasters, and its outreach focuses on households rather than small businesses. Listos is funded through the state budget, but it is not established in its own statute, so the California Governor's Office of Emergency Services (Cal OES) sets its scope administratively and can narrow it at any time. Writing the program into law would lock in its mission, eligibility, and priority audiences, so CBOs can help small businesses and street vendors prepare for any kind of emergency.

There is strong precedent for this approach. In 2021, the Legislature created the Community Resilience Centers Program in statute (SB 155), funding neighborhood hubs that serve communities during emergencies and year-round, with community organizations and residents helping govern them.[54] The Legislature has also codified support for immigrant entrepreneurs through the SEED Initiative *(see recommendation 2.3)*. This recommendation would give Listos California the same lasting foundation and extend it to the small businesses and economic emergencies the current program does not reach.



Photo Credit: Halbergman, iStock

Recommendation 2.5: Create a permanent safety net for workers and entrepreneurs left out of unemployment benefits

Policy Action: Establish a permanent, state-funded program that provides income support to workers excluded from unemployment insurance because of their immigration status and to self-employed business owners. Payments would be set at fixed amounts based on the documentation applicants can provide.

Rationale: Unemployment benefits leave out two groups hit hardest by immigration enforcement, for different reasons. First, undocumented workers are prohibited from unemployment insurance benefits, even though California employers pay into the tax system; for instance, in 2019 they contributed an estimated $236 million in federal unemployment taxes.[55] Second, most street vendors and other self-employed business owners are ineligible regardless of immigration status, because they work for themselves and no employer pays unemployment taxes on their behalf. After the June 2025 raids, many street vendors stopped working entirely, and those who continued earned a fraction of their previous income. Currently, California has no permanent safety net for either group, and local relief is built from scratch in response to each crisis.

Other states have shown this approach works. In 2022, Colorado passed Concerning Unemployment Compensation (SB 22-234), creating the nation's first permanent fund for undocumented workers who lose their jobs, though it covers only workers with W-2 wages and excludes contractors and those who are self-employed.[56] Other states have created similar, though temporary, programs that made one-time payments. In 2021, New York created a $2.1 billion Excluded Workers Fund that provided one-time payments to 130,000 workers left out of unemployment benefits.[57] An independent evaluation found recipients used the funds for rent, food, and business expenses.[58] During COVID-19, California implemented the Disaster Relief Assistance for Immigrants (DRAI), providing state-funded payments to individuals excluded from federal aid.[59] Locally, Inclusive Action for the City provided one-time direct cash assistance to street vendors during COVID-19 and helped launch a vendor relief fund after the 2025 raids.[60] Building on the ongoing work of advocates and the lessons of other states, a permanent statewide fund would make sure this kind of help is available ahead of future emergencies.



Photo Credit: Fernanda Reyes, iStock

Recommendation 2.6: Create a permanent council to prepare the state's economic response to address future crises

Policy Action: Write the state's Economic Recovery Support Function, now coordinated by GO-Biz and Cal OES under the California Disaster Recovery Framework (CDRF), into state law as a permanent Emergency Resilience Council, modeled on the California Broadband Council.[61] Led by Cal OES, GO-Biz, and the Labor and Workforce Development Agency (LWDA), the council would cover economic emergencies as well as natural disasters, plan relief protocols before a crisis, coordinate the emergency programs, and connect emergency relief to long-term support like the SEED initiative. Members would include state agency leaders, local government representatives, and CBOs. The council would hold public meetings with time for public comment and report regularly on emergency relief spending and outcomes.

Rationale: When a crisis occurs, the state agencies that support small businesses, workers, and families often coordinate only after it has started. No single standing body is responsible for aligning emergency relief for small businesses across agencies or for tracking whether that relief reaches the people it is meant for. A permanent council would ensure agencies provide business owners with a public forum to raise concerns. Regular public reporting would also respond to the Legislative Analyst's Office's recent finding that the Legislature often receives little information on how emergency funds are used.[62]

California has created standing, multi-agency councils in law before, including the California Broadband Council in 2010 and the Strategic Growth Council, which brings together the heads of seven state agencies with public members.[63] Other states have also built permanent structures for economic emergencies. Florida's emergency management system includes a standing function for business and economic stabilization, led by the state's economic development agency, that builds partnerships with businesses before disasters and coordinates relief after them, including emergency bridge loans for small businesses.[64] This recommendation would give California's economic response the same permanence with public oversight and a focus on the small businesses and street vendors most at risk.



Photo Credit: Adobe Stock

Recommendation 2.7: Bring mental health support directly to business owners in impacted corridors

Policy Action: Provide sustained funding to expand Los Angeles County's United Mental Health Promoters Program into small business corridors, partnering with community organizations to build mental health support where business owners and street vendors work. Promoters would offer regular wellness workshops and connect owners to services, and would train business owners and merchant association leaders as peer supporters, so corridors have trusted support in place.

Rationale: Business owners in our *pláticas* described carrying the emotional weight of others during the raids, reassuring frightened customers and employees while managing their own fear, often with nowhere to turn. Los Angeles County already has a trusted model for reaching communities in these moments. The United Mental Health Promoters Program trains community members to provide culturally and linguistically appropriate mental health outreach.[65] However, promoters have historically worked in settings like schools, churches, and community centers, not the commercial corridors where business owners spend most of their days. Additionally, the program has relied on one-time federal pandemic funds. This solution focuses on shifting that by bringing promoters into corridors and training owners to support one another. This approach builds the lasting infrastructure needed to proactively support business owners.

Other states show that this kind of support can be designed specifically for business owners. For example, Minnesota funds counselors who provide free, confidential support to farmers facing economic stress, and Wisconsin launched a similar Farmer Wellness Program through its state budget.[66] Community organizations like KLBRI already offer Mental Health First Aid training and culturally rooted healing spaces.[67] Sustained funding would bring this kind of support into the corridors where business owners work, to ensure care is already in place ahead of any future emergency.



Photo Credit: Pressmaster, Adobe Stock

Conclusion

Immigration enforcement has consequences that impact entire communities and economies. The findings from *The Cost of Fear* illustrate the scale and persistence of these impacts. One year after the enforcement surge, 95% of surveyed Latino entrepreneurs reported ongoing financial stress, with 52% reporting revenue losses that left them unable to cover operating costs.[68] In addition, 76% of entrepreneurs shared that the enforcement affected their health and psychological well-being, including gastrointestinal disorders, panic attacks, and worsening chronic health conditions.[69] Although there have been efforts to address the economic disruptions caused by immigration enforcement in local communities, more durable protections are needed.

The policy recommendations outlined in this action guide are directly informed by communities who have witnessed and experienced these impacts firsthand. As noted by *plática* participants, the raids continue to affect the sustainability of their businesses, and their health and well-being. Their perspectives illustrate how enforcement disruptions unfold, where existing systems fall short, and which forms of support are most responsive to their needs.

It is imperative to invest in small business ecosystems, preserve local economies, and uphold the dignity of immigrant entrepreneurs before, during, and after periods of disruption.



Photo Credit: GummyBone, istock

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Disclaimer

The views expressed herein are those of the authors and not those of the University of California. The authors used generative AI to support writing and editing, including refining language, improving clarity, and organizing content. AI was not used to generate or alter analysis, interpretations, or conclusions. All assisted content was reviewed and revised by the authors, who retain full responsibility for the content of this action guide.

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