



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: JUNE 2, 2020

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: RON AHLERS, CHIEF FINANCIAL OFFICER
MICHAEL MCCONVILLE, MANAGEMENT ANALYST**

SUBJECT: UPDATE ON CALABASAS OPEN SMALL BUSINESS GRANTS PROGRAM

MEETING DATE: JUNE 10, 2020

SUMMARY RECOMMENDATION:

Recommendation that Council receive a status update on the Calabasas Open Small Business Grants Program, and approve the Program's final procedures, terms, and deadlines.

BACKGROUND:

During the May 18, 2020 City Council Budget Workshop meeting, a request was made from the City Council's Budget Liaisons for the consideration of establishing a small business grant program for Calabasas based businesses. The program was conceptualized for local businesses who were closed, or partially closed, as a result of the County's Safer At Home Order.

The general parameters of the program were approved during the May 27, 2020 City Council meeting. Council provided input for program specifics and asked staff to continue the item to the June 10, 2020 meeting for final program approval.

DISCUSSION/ANALYSIS:

The Calabasas Open Small Business Grants Program will provide a one-time emergency grant, up to \$10,000, to eligible Calabasas based small businesses to assist with COVID-19 reopening costs. The current approved appropriation amount is \$500,000 for the first phase of the program, or 50 grants if each small business receives the maximum amount.

The goal of the Program is to remove barriers to accessing capital for the City's small businesses that were required to close, or partially close, as a result of the pandemic. Providing these much needed funds to the City's small businesses allows stores to reopen as soon as possible, while also stimulating the local economy.

Anticipated Timeframes & Deadlines

Application Submission: June 12 – June 19

Application Review: June 22 – June 26

Notice of Grant Award: June 29 – July 2

Checks Mailed to Businesses: July 6 - 10

Eligibility and Requirements

The Calabasas Open Small Business Grants Program would require a business grantee to:

1. Operate out of a physical (brick and mortar) retail or restaurant storefront, open to the public, within the city limits of Calabasas
2. Be established as a for-profit, small business with at least one, but no more than 100 employees
3. Be closed, or partially closed, under the County of Los Angeles Public Health Department Safer At Home Order
4. Submit an accurate and complete Calabasas Open Small Business Grants Program Application
5. Be in good standing with the City
6. Been in operation in the City of Calabasas for at least one year as of March 1, 2020

Please Note: Sales tax and transit occupancy tax generating small businesses will be given priority. Publicly traded companies and corporate owned retail chains or franchises are not eligible.

Direction to Staff Regarding Miscellaneous Eligibility Terms:

- Businesses who have already paid for physical improvements or spent on advertising before the Program was established
- Counting 1099 contractors or family members as employees
- Applicants with multiple small businesses

Application Submission & Review Process

The application will be posted on the City's website and will be submitted via electronic submission.

Applications will be reviewed on a first come, first served basis, with first come defined as the date and time received by the City of Calabasas. Applications that have met eligibility and completeness requirements will be passed on to the review panel.

The review panel will consist of two (2) City staff members, as determined by the City Manager, with final approval by the City's Chief Financial Officer. If the application is approved, applicant will receive a notice of grant award. The final award amount will be approved by the review panel and CFO based on the reasonable costs associated with the request.

In the event that an applicant is denied funding, that determination is final and there is no appeals process.

Grant Funds Uses and Reporting Requirements

Grant funds may be used to cover costs associated with business reopening that fall within the categories below:

1. **Physical improvements:** Equipment, supplies, signage, and remodeling improvements to comply with required safety reopening protocols
2. **Marketing costs:** Advertising and promotional activity to notify the local community that the business has reopened and is ready for customers again

Within 60 days of receiving grant award, the grantee must submit sufficient documentation verifying that reopening expenses were incurred in the manner and for the purposes stated in this application. Appropriate documentation includes receipts, invoices or credit card statements.

The City reserves the right to audit the applicant's books and records for compliance with the terms of the Program Agreement, and to seek to recover funds not used in accord with the terms of the Program Agreement.

FISCAL IMPACT/SOURCE OF FUNDING:

On May 27, 2020, City Council approved a \$500,000 allocation from the Woolsey Fire Settlement Fund (67) as the funding source for the Calabasas Open Small Business Grant Program.

REQUESTED ACTION:

Approve the final procedures, terms, and deadlines for the Calabasas Open Small Business Grants Program.

ATTACHMENTS:

1. DRAFT Calabasas Open Grant Program Application