



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: MAY 22, 2020

TO: HONORABLE MAYOR AND COUNCILMEMBERS

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

SUBJECT: CONSIDERATION OF "CALABASAS OPEN" SMALL BUSINESS GRANTS PROGRAM – AUTHORIZATION TO CREATE AND ADMINISTER A SMALL BUSINESSES REOPENING AND COVID-19 PANDEMIC RESPONSE GRANTS PROGRAM

MEETING DATE: MAY 27, 2020

SUMMARY RECOMMENDATION:

Recommendation that Council approve a Small Businesses Reopening and COVID-19 Pandemic Response Grants Program, direct the Acting City Manager, Chief Financial Officer and Community Development Director to develop and promulgate rules and regulations for the program.

BACKGROUND:

As a result of the COVID-19 pandemic, the Los Angeles County Department of Public Health issued its Safer At Home Order resulting in the closure of all non-essential retail businesses located within the City of Calabasas. Essential businesses that remained open were required to implement strict safety protocols, follow social distancing guidelines, and limit the number of patrons served. This environment resulted in local businesses having dramatic declines in revenue, leading to a devastating impact on the City's local economy.

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.

DISCUSSION/ANALYSIS:

The Calabasas Open Small Business Grants Program would provide a one-time emergency grant to eligible Calabasas based small businesses to assist with COVID-19 reopening costs. 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.

Funding Allocation and Grant Award Amount

The proposed amount of total grant funds for the Calabasas Open Small Business Grants Program is \$1,000,000. The proposed amount of each grant is \$10,000 for each qualified small businesses, for a total of 100 grants.

Below is a brief review of similar COVID-19 small business grant programs for California agencies, sorted by Total Funds Allocated:

Agency	Population (2018)	Total Funds Allocated	Max Grant Amount
Berkeley	121,643	\$1,000,000	\$10,000
Calabasas	23,954	\$1,000,000	\$10,000
Orange County	3,175,692	\$700,000	\$10,000
Alameda	78,338	\$600,000	\$7,500
El Monte	34,151	\$550,000	\$10,000
LA County, 2nd District	1,977,349	\$500,000	\$10,000
LA County, 4th District	1,971,639	-	\$5,000
Santa Clara	129,488	\$500,000	\$10,000
Foster City	34,151	\$500,000	\$10,000
Victorville	122,312	\$445,791	\$15,000
Hayward	159,620	\$380,000	\$5,000
Oakland	433,031	\$300,000	\$5,000

Eligibility and Requirements

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

1. Operate out of a physical storefront within the city limits of Calabasas
2. Be established as a for-profit, small business with at least 2, but no more than 50 employees
3. Be closed, or partially closed, under the County of Los Angeles Public Health Department Safer At Home Order
4. Experience a significant loss of income due to the COVID-19 pandemic
5. Submit an accurate and complete Calabasas Open Small Business Grants Program Application
6. Be in good standing with the City
7. Have been in operation in the City of Calabasas for at least one year as of March 1, 2020

Please Note: Sales tax generating small businesses will be given priority. Corporate owned retail chains or franchises are not eligible.

Grant Funds Uses and Reporting Requirements

Calabasas Open Small Business Grants Program funds may be used to cover costs of reopening, including: equipment, supplies, signage, and remodeling as required by the County of Los Angeles Department of Public Health Safety Reopening Protocols. Program grant funds may also be used for advertising and promotional activities related to business reopening.

Grantees shall keep all records and receipts used for grant purchases. Grantees shall provide an account of how the funds were spent within 60 days of accepting grant funds.

Application Review

A 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. In the event that an applicant is denied funding, that determination is final and there is no appeals process. The City will accept the first 100 qualified applications, with grants being awarded on a first-come, first-serve basis.

FISCAL IMPACT/SOURCE OF FUNDING:

The City Council Budget Liaisons proposed a \$1,000,000 allocation for fiscal year (FY) 2020-21, to be finalized and approved during the regular budget process for FY 2020-21.

REQUESTED ACTION:

Direct Staff to create and administer the Small Businesses Reopening and Covid-19 Pandemic Response Grants Program.

ATTACHMENTS:

1. City of Santa Clara Small Business Assistance Grant Program Application
2. City of El Monte Grant Program for Small Businesses Application