



Small Business Grants Program



PASADENA
COMMUNITY
FOUNDATION



The Pasadena
COVID-19 Disaster
Small Business Relief Fund



Small Business Grants Program

- On June 15th acting on the recommendation of the Ed-Tech Committee, the City Council approved the Small Business Relief Grant Fund (Fund) with an appropriation of \$500,000 in direct support plus up to \$250,000 in matching funds, to be administered by the Pasadena Community Foundation (PCF).
- The Fund's objective is to augment Federal, State and local aid by financially supplementing Pasadena businesses in hopes of sustaining the local economic base. The Fund provided grants to street-level, storefront small businesses.
- A total of 94 applications for funds were received, of which 39 will receive awards. Of the remaining 55, 43 were disqualified for not meeting the program criteria and the remaining 12 scored below the award threshold.
- PCF intends to issue checks as soon as possible after August 17, 2020 and will proceed to do so absent other City Council direction.



Community Outreach

PCF:

- Issued a press release which was picked up by the Star-News and by Pasadena Now. Sent E-blasts to 3,566 contacts.
- Application was translated into Armenian and Spanish.

Chamber:

- Included the program in newsletter and frequent email blasts; developed flyers and walked them in the commercial districts.
- PCF and Chamber provided information to local nonprofits such as: the Armenian Relief Society, National Day Laborer Organizing Network (NDLON) and the NAACP who also promoted the program.

City:

- Over 4,000 direct emails were sent to businesses; promoted in the BID's Newsletters.
- Human Services staff delivered relief fund information to businesses on: North Lake, Lincoln, Fair Oaks Ave., and Orange Grove Blvd.
- Some Council Members included the information on their respective webpages.



26 Member Selection Committee Composition

- 17 are Pasadena residents, while others have a connection to the City through business.
- Professional backgrounds:
 - 6 small business owners
 - 6 finance professionals
 - 4 accountants
 - 10 other professionals including: tech entrepreneur, real estate, attorney etc.
- Represent wide range of ethnicities and genders, with about half representing a minority population.
- All reviewers signed confidentiality agreements and submitted a conflict of interest disclosure.



Background- Application Review Process

- PCF developed a scoring rubric to provide weight in the evaluation process in accordance with the City Council **s**tated priorities such as:
 - whether the business is minority or woman owned.
 - if the owner demonstrates the wherewithal to survive, and;
 - if the business owner or employees live in Pasadena
- PCF submitted the list of recommended business names and license numbers to the City for verification of current licensing



Background- Application Review Process

- In total, 94 applications were submitted by the July 10 deadline. 43 applications were disqualified and screened out for three reasons:
 - not a storefront, retail business or restaurant
 - have only 1 employee
 - received more than \$10,000 in PPP funds
- 51 applications were included in the group to be reviewed. Reviewers were randomly assigned an average of 8 applications to score. Each application was scored by 4 reviewers.



Background- Scoring Process

- Any application with a score of 60 or above was categorized as “recommend for funding.” The threshold of 60 was determined from the pilot test applications that were considered strong applications and achieved scores in the 60’s range.
- Any application with a score of 40-59 was categorized as “marginal.” Applicants with a marginal score were reviewed using the following criteria:
 - 5 points if the owner lives in Pasadena
 - 5 points for receiving 2 overall positive comments from reviewers
 - 5 points for more than 2 overall positive comments



Recommended Awardee Profiles

- 39 applications recommended for funding:
- 8 businesses classified as Repair and Maintenance (nails, laundry, beauty, salon, hair) were among the highest of the 39 earmarked to receive funding; followed by Educational Services (7) and then Food Services and Drinking Places with (6).
- Located across all zip codes in Pasadena.
- 15 were established between 2000-2015; 11 were older than 20 years; 5 were opened between 2016-2018 and 4 were opened less than a year in 2019.
- The small businesses owners self-reported that they are minority (56%), women (44%) and veteran (5%).



Fundraising/Next Steps

- The City provided \$500,000 in initial funding for grants and committed up to an additional \$250,000 as matching funds to assist PCF in their fundraising efforts. Out of the initial \$500,000 funding, there is a remaining balance of \$110,000.
- Additionally, PCF has raised \$23,950 to date. The City's pledge of \$23,950 to match the PCF funds will be deducted from the existing \$110,000 leaving a balance of \$86,050 that will be returned to the general fund.
- PCF is prepared to issue \$10,000 checks to the 39 businesses recommended for funding – for a total of \$390,000.