



City Manager – Economic Development Division

# The Pasadena COVID-19 Small Business Disaster Relief Fund

City Council  
June 15, 2020  
Item 13





# Business Grants Program

City Manager – Economic Development Division

- Due to the Shelter-In-Place Order many small businesses have temporarily closed and lost revenue.
- The Pasadena Community Foundation (“PCF”) and the Pasadena Chamber of Commerce (“Chamber”) proposed the creation of a grant program to assist local small businesses that are financially struggling as a result of COVID-19.
- On May 21, 2020, Council’s Edtech Committee directed staff to work with the PCF and Chamber to develop a local business grant program and again on June 9, Edtech endorsed the program and provided additional comments.

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## Edtech Direction

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- Edtech Committee endorsed the Grant's Scope of a \$500,000 initial contribution from the City.
- An additional \$250,000 in matching funds from the City for PCF fundraising.
- Business grants will be a \$10,000 maximum.
- Emphasis on:
  - Street front businesses (retail and restaurants)
  - Local businesses that hire Pasadena residents

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# Proposed Pasadena Business Grant Fund

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## Help 50 - 100 Pasadena small businesses survive



### Mobilize Resources

- Fund established by the City of Pasadena (PCF) with \$500,000.
- Fund Agreement between the City and PCF.
- MOU between PCF and the Chamber to administer the Grant Program.



### Ignite Private Philanthropy

- The City will help to incentivize private philanthropy with a \$250,000 match.
- Program partners will publicize opportunity for individuals and businesses to make tax deductible contributions to the Fund.



### Build on PCF's Technology Platform for Grant Submission

- The Chamber and PCF will develop eligibility, application, and selection criteria.
- Appoint a Selection Committee to evaluate and score applications.
- Award grants of up to \$10,000.



# Eligibility Requirements

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Existing for-profit business based in the City of Pasadena.

- Must have good standing with the City (permits, taxes).
- Must have established legal business entity; business license.
- Must be locally and independently owned (not part of a national or regional chain or a franchise).
- Demonstrated a strong track record of business operations under current ownership.

Small, street level storefront retail businesses

- 2-20 full-time equivalent (FTE) employees.
- \$3.0 million or less in annual gross revenue
- Provide the dedication and wherewithal to remain open for a period of 12 months after receipt of the relief funds.

Impacted by COVID-19

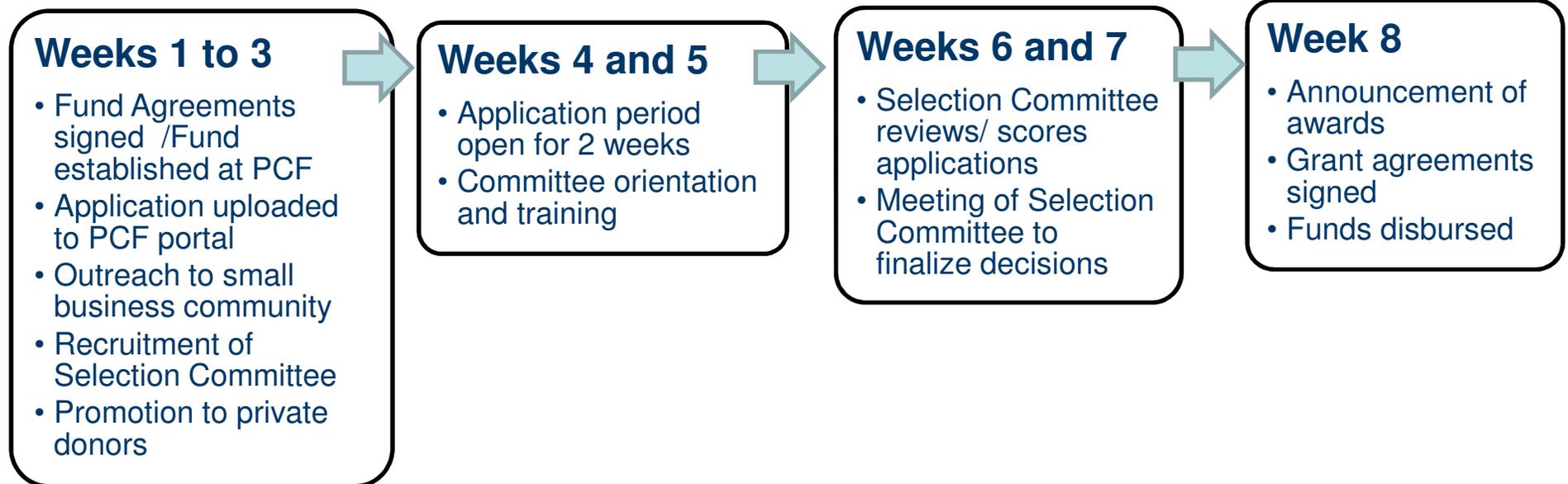
- Has experienced at least a 25% decline in revenues between 1/1/20-4/30/20.
- Has not received \$10,000 or more from either SBA Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) or other SBA, government or other grant source related to COVID-19.

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# Proposed 8 Week Grant Timeline

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# Timeline

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- **Weeks 1 to 3**
  - > Fund Agreements signed/Fund established at PCF
  - > Application uploaded to PCF portal
  - > Outreach to small business community
  - > Recruitment of Selection Committee
  - > Promotion to private donors
  
- **Weeks 4 and 5**
  - > Application period open for 2 weeks
  - > Committee orientation and training



# Timeline

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- **Weeks 6 and 7**
  - > Selection Committee reviews/scores applications
  - > Meeting of Selection Committee to finalize decisions
  
- **Week 8**
  - > Announcement of awards
  - > Grant agreements signed
  - > Funds disbursed



# Recommendation

City Manager – Economic Development Division

- Find this action exempt pursuant to State CEQA Guidelines Section 15061(b)(3).
- Authorize the City Manager to enter into an agreement with the Pasadena Community Foundation to establish a COVID-19 small business disaster relief fund at the PCF.
- The City will commit \$500,000 to fund the Small Business Relief Fund and up to an additional \$250,000 to match private sector donations resulting in a potential impact on the general fund of \$750,000.
- Funding will be appropriated from the General Fund Reserve.