

# Agenda Report

April 13, 2026

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Office of the City Manager - Economic Development Division

**SUBJECT: AMEND FY 2026 OPERATING BUDGET OF THE ECONOMIC DEVELOPMENT DIVISION TO AWARD 2025 DISASTER RELIEF FUNDS FOR MICRO-ENTERPRISES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code 21065 and within the meaning of the State CEQA Guidelines Sections 15060(c) and 15378 (b); and
2. Authorize the Economic Development Division, City Manager's Office, to oversee the Disaster Relief Funds for Micro-Enterprises program; and
3. Amend the Office of the City Manager's Fiscal Year (FY) 2026 Operating Budget by recognizing revenue and appropriating \$125,500 in 2025 Disaster Relief Funds for the Micro-Enterprise Program.

## **BACKGROUND:**

The City of Pasadena ("City") received a Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development ("HUD") under Title I of the Housing and Urban Development Act of 1974. As part of the Department of Housing's Five-Year Consolidated Plan (2025-2029) approved by City Council on May 19, 2025, the Economic Development Division will oversee the Disaster Relief Funds for Micro-Enterprises Program. The Program will assist local, low-to-moderate income, micro-enterprises impacted by the 2025 Eaton wildfire and windstorm. Micro-enterprises are defined as those businesses with 5 employees or less. The reimbursement-based grant will be used to cover overhead and operational costs, rent, and utilities, business inventory, salary and wages for employees, and marketing. The Economic Development Division anticipates awarding a total of 25 micro-enterprise grants, up to \$5,000 each.

Per HUD guidelines, eligible applicants are businesses that operate from a brick-and-mortar location within Pasadena city limits, qualify as a micro-enterprise with five or fewer employees (including owners), and have owners whose income is below 80% of the Area Median Income (AMI). Grant information was shared via the Economic Development Division newsletter, a press release, and direct emails to encourage businesses to apply. Information is posted on the Economic Development Division web page with an application link and guidelines. The deadline to apply is April 16, 2026.

The Division will review all materials submitted by the businesses to determine which expenses are eligible per the grant guidelines. Grants will be awarded in an amount not-to-exceed \$5,000 per business. The FY 2026 Operating Budget for the Economic Development Division will be amended by \$125,500, which shall constitute full and complete expenditure of the CDBG funds.

**COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council's goals to maintain fiscal responsibility and stability and to support and promote the quality of life and local economy.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein falls outside the definition of a "project" because it will not result in a direct or reasonably foreseeable indirect physical change in the environment under section 15060(c), and because it is a type of project covered in 15378(b).

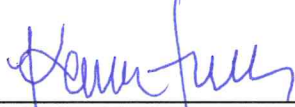
**FISCAL IMPACT:**

Approval of the recommended action will amend the Office of the City Manager's FY 2026 Operating Budget by recognizing revenue and appropriating \$125,500 in the General Fund (101). Deadline to spend funds is June 30, 2026 and one-time funding is not available in future years.

Respectfully submitted,

  
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