



CITY COUNCIL AGENDA REPORT

Meeting Date: 1/20/22

From: Stuart Schillinger, Assistant City Manager

Subject: COVID19 Small Business Grant Assistance Program

Community Goal/Result Economic

Development Purpose

Assist businesses in Brisbane impacted by COVID-19. Additionally, assist restaurants within Brisbane to assist with their ability to provide service to the public.

Recommendation

Approve Economic Development Subcommittee recommendation to decrease the 2020 compared to 2019 loss to 15% from 20% in existing program and to allocate funds to businesses that began in 2020 which have a physical location in Brisbane with a signed lease and business license.

Background

The Federal Government has adopted the Paycheck Protection Act, which was meant to assist small businesses with support during COVID-19 interruptions. The program was administered through the banking system and did not seem to assist all of the businesses that needed help. This was due to a variety of factors including; lack of adequate funding, complicated rules, and distribution of capital throughout the County. The upshot of this was a number of businesses within San Mateo County and possibly Brisbane either did not qualify or apply for funds due to the rules. Additionally, the County of San Mateo put money into the San Mateo Strong Fund to assist restaurants during the COVID-19 emergency.

On May 20, 2021 the City Council allocated \$200,000 to assist small business that were negatively impacted by COVID-19. The criteria was the following:

1. Businesses \$5,000,000 or less
2. Loss of 25% of revenues for a recent 12-month period
3. Business commits to be open after the COVID19 emergency is over
4. Located in Brisbane and having a Brisbane Business License
5. Not a member of the City Council or a paid employee of the City.

The City Council originally authorized up to \$5,000 be provided to each qualifying business. The City used the Chamber of Commerce to administer the grant selection process. After extensive outreach the Chamber received 27 qualifying applications. On November 4, 2021 the City Council increased the grant amount to \$6,000 per business.

City Council also requested the Economic Development Subcommittee to determine criteria for distributing the remaining \$38,000. Council asked the Subcommittee to look at criteria which would allow businesses created in 2020 to be eligible for some grant funds and also to determine if lowering the percentage of loss would be appropriate.

Discussion

On December 2, 2021 the Economic Development Subcommittee discussed the criteria for the remaining \$38,000 and the desire of the City Council to assist businesses with a lower loss than 25% in 2020 and new start-ups in 2020.

The Subcommittee recommends opening up the Small Business Grant Assistance program to businesses with gross revenues of \$5,000,000 or less that can show a loss of revenues greater than 15% between 2019 and 2020. The businesses must be located within Brisbane and have business licenses for 2019 and 2020 and must still be in business in 2021.

The Subcommittee further recommends that the Small Business Grant Assistance program be opened up to businesses that began operations during 2020. In order to qualify these businesses must be located in a commercial area of the City, with a signed lease which shows occupancy during 2020, and had a business license in place during 2020. No employees of the City, Council Members, or Commissioners who get paid by the City would be eligible for this grant.

After the Subcommittee meeting, staff spoke with the Chamber staff to let them know the proposed recommendation from the Subcommittee. The Chamber staff did comment that some businesses in town did not have reduced business in 2020 but are now having an impact from COVID in 2021. The City Council could expand the grant to businesses that showed a loss between 2019 and 2021 as well. The additional administrative expense will be based on the amount of outreach needed for the new programs. The Chamber staff said the amount will not exceed \$10,000 however, the more similar the program is to the previous program the less the additional administrative expense will be.

At this time it is unknown the number of businesses that would qualify under the new recommendations. City Council can take one of the following options regarding funding. Distribute the \$38,000 among all newly qualified businesses. Reduce the grant back to \$5,000 for businesses that had a reduction in revenues of 15% or more and then use any remaining funds for the new businesses. Or the Council can allocate the \$6,000 per business and staff could report on the number of businesses that applied and received grants for the Council to allocate additional funds.

The City is slated to receive \$1,000,000 from ARPA and this grant program qualifies for ARPA funds. The money not used for this grant program goes to offset revenue loss and expenses made due to COVID-19.

Fiscal Impact

The impact to the General Fund will depend on if the City Council will allocate more than the original \$200,000.

Measure of Success

Provide a minimum of 20 businesses assistance. We have met and surpassed this original goal by already assisting 27 businesses in town. By decreasing the amount of loss to 15% and allowing new startups to apply we can increase this to assisting 30-40 businesses.

Stuart Schillinger

Stuart Schillinger, Assistant City Manager

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