

October 7, 2020

SUBJECT:

Title

Approve First Amendment to Grant Agreement between the City of Fresno and Fresno Area Hispanic Foundation regarding small business relief to provide an additional \$1,000,000 in small business grants

Sponsor: Council President Arias

RECOMMENDATION

City staff is requesting Council's approval to amend and appropriate the remaining \$1,000,000 CARES Act funding to our existing contract with the Fresno Area Hispanic Foundation to provide relief to small businesses affected by COVID-19.

EXECUTIVE SUMMARY

On August 17, Council approved the terms of agreement of \$2,000,000 for the Save Our Small Businesses Grant Program. This agreement is effective until December 30, 2020. The City provided the grantee the amount of \$1,000,000 of these funds to be administered by The Fresno Area Hispanic Foundation and the Mayor's Office of Economic Development would administer the other \$1,000,000.

This amendment is to increase the scope of services administered by the Fresno Area Hispanic Foundation. The City is modifying the agreement to transfer the remaining \$1,000,000 from the City of Fresno to the Fresno Area Hispanic Foundation. The Fresno Area Hispanic Foundation has already distributed \$1,000,000 to small businesses. Due to their staffing capacity and success on providing efficient services to much needed hurting businesses, city staff recommends that they continue funding these businesses. This funding has already been allocated for the small business grant program. The additional \$1,000,000 is going to grants; there is no additional administrative fee to this agreement.

BACKGROUND

The CARES Act (42 U.S.C. Section 801(d)) requires eligible reimbursement expenditures (1) are necessary due to the COVID-19 public health crisis; (2) are not accounted for in the City's budget as of March 27, 2020; and (3) be expended between March 1 and December 30, 2020. The Department of the Treasury understands the term 'necessary' broadly to mean the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments. (US Dept. of Treasury, Coronavirus Relief Fund Guidance (April 30, 2020) p.1.) Expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19 related business closures. (US Dept. of Treasury, Coronavirus Relief Fund Guidance (April 30, 2020) p. 1.)

The Fresno Area Hispanic Foundation (FAHF) has a proven track record of providing technical assistance to small business and administering microloan programs. This small business grant program will administer loans of \$5,000-10,000 based on the number of employees of an applicant business. FAHF will focus on serving the diverse small business community in disadvantaged/underserved areas of Fresno. Grant funds will be disbursed by December 1 to small businesses that have not received relief funds such as Paycheck Protection Program (PPP), or a COVID relief grant from the City or County of Fresno. In addition, FAHF will conduct a digital marketing campaign to promote the program within the City. The primary target audience will be diverse small business, including but not limited to businesses in the Hispanic, Punjabi, African American, Hmong, and other minority communities that have not been able to access any relief funds.

ENVIRONMENTAL FINDINGS

This is not a project for the purpose of CEQA.

LOCAL PREFERENCE

Not applicable.

FISCAL IMPACT