

CITY OF YAKIMA

LEGAL

DEPARTMENT

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MEMORANDUM

November 2, 2020

TO: Honorable Mayor and Members of the City Council
Robert Harrison, City Manager
FROM: Sara Watkins, Senior Assistant City Attorney
SUBJECT: CARES Act funding update

The City Council approved three different CARES Act grant opportunities over the past months: a micro-enterprise grant program with the CDBG-CV money, a small business grant program with CARES Act money, and a non-profit grant program with CARES Act money. The micro-enterprise and small business grants have been awarded as of the date of this memo. The non-profit grant program application period closed on October 30, 2020, so a subsequent update will be provided on those grants. Below is a summary of the status of the programs.

1. CDBG-CV micro-enterprise grant program

Approximately \$460,000 of CDBG-CV funding was made available to micro-enterprises within the City of Yakima. A micro-enterprise, as defined by HUD, is a business with five (5) or fewer employees, one of whom is the owner. The owner also must meet the low to moderate income requirements of the CDBG program.

YCDA received 99 applications for funding under this grant program. However, some of the applications were for businesses that did not meet the CDBG requirements. Out of the 99 original applications, 74 of the businesses met the initial criteria. After the income verification process, YCDA was able to award 35 of those businesses funding in the total amount of \$269,520.97. A general breakdown of the type of business is as follows:

Salon/Barbershop/Tanning	16
Restaurant/Bar/Coffee	8
Retail/Auto	6
Tattoo	3
Medical	1
Dance Studio	1
Total:	35

All eligible micro-enterprises received a grant. Further, those businesses which did not qualify for the micro-enterprise grant program were ultimately funded through the CARES Act small business grant program (see #2 below), Yakima County CARES Act funding, or other Department of Commerce funding administered by YCDA. Ultimately 80 micro-enterprises within the City were funded with a total of \$479,641 from all sources.

2. CARES Act small business grant program.

The City also provided funding for a small business grant program. Small businesses were defined as those businesses with 25 or fewer employees, located within the City of Yakima, and in business at least 365 days prior to September 1, 2020, with a valid City business license. The business was required to provide proof that it wasn't able to operate at all, or wasn't able to operate at 100% due to the required closures and opening restrictions due to COVID-19.

YCDA received 369 applications for the small business grant program. Currently 141 of the applications are eligible to receive funding. Some businesses were not located within the city limits, did not meet the definition of small business, and some had already received \$10,000.00 or more in other assistance. The 141 businesses are receiving a total of \$981,846. There are also 44 businesses that applied, but did not have a currently valid City of Yakima business license. YCDA is working with those businesses to get their business license, and if they can obtain their license by mid-November, they may also be eligible for grant funding. Here is a general breakdown of the types of businesses that applied for funding and were either already granted funds or are working on obtaining their business license:

Restaurant:	30
Bar:	3
Cosmetology	53
Retail:	31
Services:	49
Healthcare:	5
Construction:	5
Childcare:	4
Entertainment:	3
Manufacturing:	1
Hotel:	<u>1</u>
TOTAL:	185

3. CARES Act non-profit grants

In the second amendment to the YCDA contract, the City Council authorized YCDA to provide grants to non-profits located in Yakima. The application period for the CARES Act non-profit grants closes on October 30, 2020 and awards will be made shortly thereafter. YCDA contacted all of the non-profit organizations that met the qualifications and have contractual relationships directly regarding the grant. Other non-profits seeking grant funds were directed to YCDA's website to apply for funding.

4. Additional CDBG-CV funds.

The City was awarded an additional approximately \$600,000 in CDBG-CV funding. Staff will return with ideas and options for the use of this money at an upcoming Council meeting.