



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager

Council Meeting Date: June 1, 2020

Re: Small Business Recovery Loan Program Application Rating Criteria

Executive Summary

This memo outlines a potential rating criteria for small business recovery loan program applications and potential Micro-Enterprise Program funds, should Council approve any additional funding allocations.

Discussion

City Council approved an amendment to the FY2020 Annual Action Plan at its May 4, 2020 Council meeting. This amendment allocated \$400,000 in CDBG funds within the FY 2020 Annual Action Plan for the Small Business Recovery Loan Program.

The Small Business Recovery Loan Program will provide up to \$15,000 in forgivable loans to businesses with 5-50 employees. The program is intended to help non-corporate, locally owned small businesses endure and adapt to on-going challenges associated with the pandemic, while retaining low to moderate income (LMI) jobs. Funding can be used for on-going operating costs and must result in at least 1FTE position to be reserved for LMI employees.

Members of City Council expressed a desire for priorities in allocating CDBG funds to specific businesses served through the Small Business Recovery Loan Program. Staff has included a potential application rating criteria that identifies priorities for businesses with ownership in Columbia, minority owned businesses (MBE), woman owned businesses (WBE) and businesses not served through the Paycheck Protection Program (PPP), or other Small Business Administration Programs (SBA). Given this feedback, City staff has developed the following 5 point rating criteria for the 26 businesses to be served through the Small Business Recovery Loan Program:

- 1 point for businesses with 100% ownership residing within Columbia
- 1 point for businesses with at least 51% minority ownership (MBE)
- 1 point for businesses with at least 51% female ownership (WBE)
- 1 point for businesses unable to access PPP, or SBA programs
- 1 point for business investing at least 20% of assistance in adapting to on-going social distancing requirements and business resiliency (greater online presence, adapting space for social distancing and safety, purchase of personal protective equipment)

City staff would intend to open the application period for one day or upon receiving 40 applications. Applications would then be scored and placed in rank order and by date/time stamp.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

City staff also intends to work with the NAACP, Men's Minority Network, Downtown CID, Jim Whitt and other local partners to conduct additional outreach to each business on the City's Minority and Women Owned Business Directory at least 2 weeks in advance of opening the program.

Fiscal Impact

Short-Term Impact: None.
Long-Term Impact: None.

Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Economy

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Livable & Sustainable Communities

Legislative History

Date	Action
None.	None.

Suggested Council Action

Review the report and provide considerations for the proposed rating criteria.