



Department Source: Community Development - CDBG/Home

To: City Council

From: Community Development Department

Council Meeting Date: August 3, 2020

Re: Boone County CARES Act Funding and Potential Business Assistance Request

Executive Summary

This memo outlines a consideration for a request to the Boone County Commission regarding CARES Act funding and assistance to small businesses.

Discussion

The Community Development Department Housing Programs Division will be implementing rounds of CDBG funds for small businesses and microenterprise businesses upon HUD approval of plans. Staff anticipates HUD approval of plans and implementation of programs within the next 60 days. City staff, with the assistance of several community volunteers, have conducted significant outreach to local business and minority businesses in particular. Staff anticipates requests for assistance will exceed available funds, therefore is putting this funding proposal consideration before Council.

Since the onset of the COVID-19 Pandemic, the Community Development Department Housing Program Division has implemented several business assistance programs and served as the lead for the Emergency Support Function (ESF) 14 for long term recovery. On-going assistance for small business was identified as a priority within the Boone County Long Term Recovery Plan and this proposal could assist the County with assisting underserved rural businesses, as well as the City in meeting additional business assistance needs beyond available CDBG resources.

Community Development Department (CD) staff also has the programmatic infrastructure in place to further expand its Small Business Recovery Loan Program and Micro-Enterprise Program with the use of Boone County CARES Act Funds. Staff is proposing to use existing applicant requirements, procedures, form templates, and web based application system software to allow for an efficient utilization of existing procedural infrastructure and efficient deployment of funds.

Staff has identified several management, compliance, and efficiency benefits to be gained by using existing HPD Infrastructure. The benefits are as follows:

- CD HPD staff maintains a web based grants management system with a loan module tracking software that contains all businesses assisted thus far through CDBG. Utilizing this system will provide assurance to County and City leaders that the program will avoid duplicate assistance or double dipping of business assistance.
- CD HPD staff have been leading the Long Term Recovery planning team, which also included outreach to other Cities within the County and outlying areas of northern and



southern Boone. These connections will help CD HPD staff with reaching small business needs in underserved rural areas of Boone County.

- CD HPD staff will be deploying Small Business Recovery Loan funds through CDBG in mid-August, however it anticipates compiling a waitlist of business needs beyond available funding. Should the County approve additional CARES Act funds to be administered by City CD HPD for business assistance, staff could serve a portion of the waitlisted business, while also ensuring underserved rural businesses are also served.
- CD HPD staff would also be willing to work with the County and City leaders to identify business support priorities identified within the Long Term Recovery Plan, such as support for child care providers, as well as assurance that funds are invested in business resiliency and adaptation to the pandemic.
- CD HPD staff also has experience monitoring organizations and businesses for compliance of meeting program requirements of federally funded programs.

Funding Amount Proposed

CD HPD staff recommends requesting \$750,000 in Boone County CARES Act funding. Staff would anticipate this serving approximately 60 businesses as follows:

Micro-Enterprise Program: **\$250,000**

- For existing businesses with 5 or fewer employees
- Businesses Assisted: 50 at \$5,000 per business
- Estimated Jobs Impacted: 115

Small Business Recovery Loan Program: **\$500,000**

- For existing businesses with 6-49 employees
- Businesses Assisted: 33 at \$15,000 per business
- Estimated Jobs Impacted: 200 jobs

Timing

HPD staff would anticipate opening applications in late September and disbursing funds to businesses within 2 weeks of receiving a qualified application and drawing funds down from the County. Staff would recommend the following procedure for disbursement of funds:

- September 1: Provide 2-3 weeks outreach to businesses across Boone for disbursement of funds.
- September 23 and 24: Open application period
- September 28 through October 2nd: HPD staff verifies business eligibility and all required documents
- October 2nd: HPD provides list of all eligible expenses for County approval
- October 6: County provides HPD staff approval for disbursement and transfers funds to City
- October 12: City disburses checks to qualified businesses

April 2021: HPD staff begins verifying expenditures for loan forgiveness and compliance



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 staff.