



# City of Culver City

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## Staff Report

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**File #:** 22-770, **Version:** 1

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**CC - Approval of an Agreement with the Los Angeles County Development Authority to Participate in the Small Business Grant Program funded with Community Development Block Grant Funds**

**Meeting Date:** February 28, 2022

**Contact Person/Dept:** Elizabeth Garcia, Economic Development/CDD  
Todd Tipton, Economic Development/CDD

**Phone Number:** (310) 253-5708  
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**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☐ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (02/23/2022);

**Department Approval:** Sol Blumenfeld, Community Development Director (02/16/2022)

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### **RECOMMENDATION**

Staff recommends City Council approve an agreement with the Los Angeles County Development Authority to participate in the Small Business Grant Program funded with Community Development Block Grant Funds.

### **BACKGROUND**

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided \$5 billion in additional Community Development Block Grant (CDBG) funding to prevent, prepare for, and respond to the COVID-19 pandemic. The U.S. Department of Housing and Urban Development (HUD) was named as the responsible federal agency to administer and distribute the CARES Act funds to state and local governments that receive a CDBG allocation.

As a participating city in the Los Angeles County CDBG Program, the City of Culver City will receive

approximately \$104,715 in one-time only, supplemental CDBG Cares Act funds for the express purpose of responding to, addressing, and mitigating the impacts of the COVID-19 pandemic.

The City of Culver City has been a participating city in the Los Angeles County Development Authority's (LACDA) federal Community Development Block Grant (CDBG) Program for many years. The mission of the CDBG Program is to principally benefit low- and moderate- income persons, aid in the prevention of neighborhood deterioration and meet other urgent community development needs. The City's annual allocation of federal CDBG funds supports activities such as construction of American with Disabilities Act (ADA) compliant improvements.

In late 2021, the Los Angeles County Development Authority (LACDA) notified all participating cities in the Los Angeles County Urban County CDBG Program indicating that the City would be eligible to receive this special, one-time only allocation of CDBG funds for the express purposes of responding to the impacts of the COVID-19 pandemic.

## **DISCUSSION**

The LACDA Small Business Grant Program (Program) offers a maximum of \$10,000 to eligible business owners to respond to the impacts of COVID-19. The small businesses must employ no more than 15 employees and create or retain jobs available to low/moderate income persons. Additionally, for every \$10,000 in grant funding issued, one permanent full-time equivalent job must be retained or created. At least 51% of the jobs created must be held by low- and moderate-income individuals. Participating businesses are to make every effort to maintain the employment level for at least one year.

Eligible participants will be selected through a lottery system. A list of business types that are eligible and ineligible to apply for the grant is attached. Grant funds may be used for:

- Employee payroll
- Working capital to continue operations
- Payment of outstanding business expenses
- Adaptive practices needed to remain open (i.e., equipment and supplies for physical distancing)

The Program will be administered and implemented by the LACDA on behalf of the City via an agreement. The Program timeline is as follows:

- |   |                             |
|---|-----------------------------|
| • City Outreach and Open Application Period   | February 28 - March 4, 2022 |
| • LACDA completes lottery for each participating city   | March 9, 2022               |
| • Selected businesses will be contacted and sent a full grant applications and grant agreements | March 10-18, 2022           |
| • Deadline for selected businesses to submit grant applications                                 | April 8, 2022               |
| • Approved grant agreements are executed, and checks are issued to businesses                   | March - April 2022          |

## FISCAL ANALYSIS

The \$104,715 in CARES Act funds will provide grants to approximately 10 eligible Culver City businesses. The remainder of the funds, approximately \$4,715, can be used by the City for administrative costs.

## ATTACHMENTS

1. CDBG - CV LACDA Project Description and Activity Budget.
2. CBDG-CV LACDA Participating Cities - Small Business Grant Assistance Program.
3. CBDG List of Ineligible Businesses.

## MOTION

That the City Council:

1. Approve an agreement with the Los Angeles County Development Authority to participate in the Small Business Grant Program funded with Community Development Block Grant Funds; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.