



LACDA
(Los Angeles County Development Authority)

LACDA/CITY SMALL BUSINESS GRANT (SBG) PROGRAM

2021 Audrey Nelson Award Winner
Community Development Best Practices Session
January 29, 2021

Pandemic Hammers Los Angeles County Small Businesses



COVID-19
WE ARE
CLOSED

1

LA County is home to more than 244,000 small businesses.

2

LA businesses faced severe impacts due to the COVID-19 pandemic that hit in the Spring of 2020.

3

LA businesses struggled to follow evolving requirements in State and local health orders.

4

To comply, many had to realign staffing and business practices.

5

Many businesses closed completely without knowing when reopening might be allowed. Tremendous job losses and furloughs followed.



Supporting Our Partners

Hold On

— HELP IS ON THE WAY —



Our Call to Action

- Some of the County's Community Development Block Grant (CDBG) partner cities simply did not have the capacity to pivot their own resources towards new programs providing economic assistance to their local businesses.
- Recognizing the City's desire to offer support to their local businesses and understanding their limited capacity, the LACDA offered to administer and implement a small business grant program on their behalf.

Fill Service Delivery Gap

Partnering with our CDBG small participating cities to launch the LACDA/SBG Program:

- Removed the administrative burden from our partner cities
- Provided financial assistance to the struggling business community
- Created a series of ripples that spanned out to benefit local cities, residents, employees, and the community at large



Program Overview

A woman with curly hair is smiling and working on a laptop at a desk in a clothing store. The desk is cluttered with papers, a white mug, and a smartphone. In the background, there is a mannequin and a rack of clothes. The entire image has a warm, orange-toned overlay.

Small Business Grant (SBG) Program

- **CDBG National Objective:** Low- and Moderate-Income, Area Benefit or Jobs Creation or Retention
- **Grant amount:** Average \$10,000
- **Eligible business types:**
 - Restaurants, coffee shops, bakeries, cafés, and gastropubs
 - Salons, barbers, and other grooming businesses
 - Gyms, day spas, and fitness studios
 - Retail and commercial stores
- **Use of funds:**
 - Employee payroll
 - Working capital to continue operations
 - Payment of outstanding business expenses
 - Adaptive practices needed to remain open (i.e. equipment/supplies for physical distancing)
- **COVID-19 impact:** Businesses must have been negatively impacted by COVID-19, yet able to sustain their operations with financial assistance



Program Design

Collaborative Process

- The LACDA hosted several conference calls to share ideas and provide input on Program requirements.
- Six cities agreed to participate and allocated CDBG Coronavirus funds. Cities could also leverage regular CDBG funds.
- Agreements were executed between the LACDA and each City.
- SBG Program launched in six cities.

Cities that Participated in the SBG Program

City of Azusa
City of Commerce
City of Duarte
City of La Cãnada Flintridge
City of Malibu
City of Maywood

SBG Lifecycle

DEVELOP PROGRAM MATERIAL

- The LACDA created promotional flyers and website language. Cities inserted their City seal and City contact information.
- The LACDA also developed all forms, application, certifications, agreements, and reporting documents.

CONDUCT INTAKE

- Advertised and conducted a five-day intake period for businesses to apply. Submitted Intake Forms went directly to the LACDA through a singular electronic portal provided for the program.

<<City Name & Logo>>

SMALL BUSINESS GRANT PROGRAM

GET UP TO
\$10,000
FOR YOUR BUSINESS

APPLY AT
<<WEBSITE LINK>>
Application Opens
August 10, 2020

QUESTIONS?
<<INSERT PHONE NUMBER>>
<<INSERT EMAIL ADDRESS>>



Eligible Businesses:

- Impacted by COVID-19 pandemic
- Located in the City
- Have not received any federal, state, or local loan or grant
- Provide goods or services to residents in a low- and moderate-income area



SBG Lifecycle

CONDUCT LOTTERY

- Established a list of businesses per City in the order drawn from a lottery.
- Eliminated any business from continuing in the process if indicated receipt of recovery funding or subsidies.
- Confirmed with Cities that the selected businesses met the following criteria:
 1. Business has an active business license in their city.
 2. Business does not have unresolved municipal or health code violations.
 3. City approved providing business with the opportunity to complete a grant application.

SBG Lifecycle

NOTIFY BUSINESSES

- Sent “Good News” email to businesses along with grant application.
- In-eligible or non-responsive businesses were eliminated and next business from the lottery list selected.

PROCESS APPLICATIONS

- Reviewed applications using checklist.
- Approved applications and executed Grant Agreements.



SBG Lifecycle

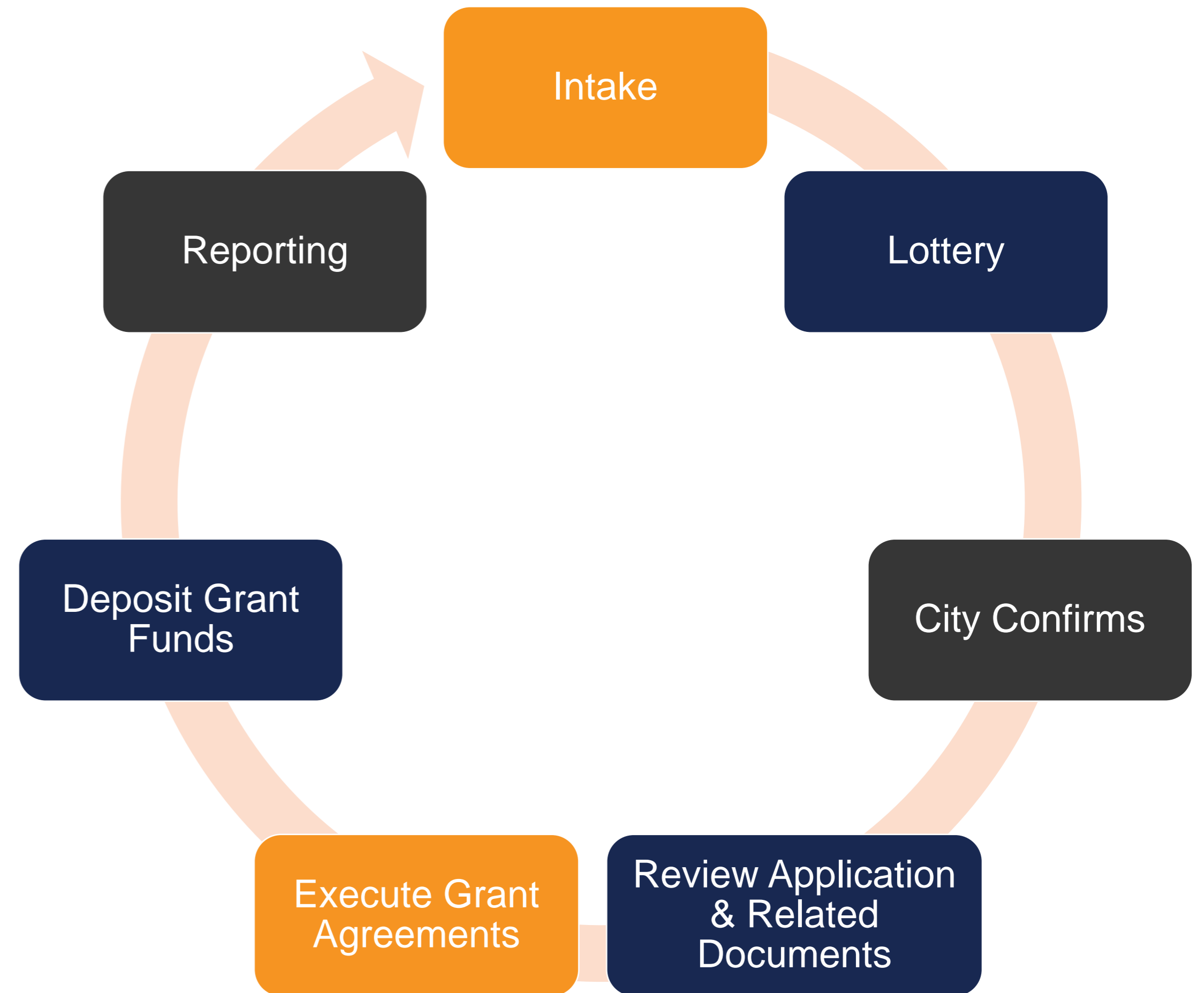
PROCESS APPLICATION CONT'D

- Sent email to business advising them of deposit of grant funds and reporting requirements.

REVIEW REPORTING CERTIFICATIONS

- Ensured appropriate Certifications were completed accurately.

Repeated process until all funds were disbursed or all businesses on a City's lottery list had been exhausted.



Administrative Tools

- The LACDA created a spreadsheet to track each cities' budget and grants provided to each business.
- A checklist and tip sheet were developed for the review of the application and related documents to ensure consistency.
- A flow chart to map the internal review process was developed to assist staff.
- Email templates and forms were created for uniformity.

EXCERPT FROM TIP SHEET

COPY OF CURRENT BUSINESS LICENSE

Alternate: Log may indicate notes from City about licensing exemptions.

Purpose: To verify that business is active and located within the City.

- If license shows an address outside of the City, deny the application. Only businesses within the City limits are eligible.
- If license is available but is not active, reference the spreadsheet for the City (there may be clarifying notes there).

COPY(IES) OF APPLICANT(S) SOCIAL SECURITY CARD(S) AND GOVERNMENT-ISSUED PHOTO IDENTIFICATION(S) FOR ALL PRINCIPALS/OWNERS

Alternate: A recent pay stub, W-2 (wage and tax statement), SSA-1099 (Social Security Benefit Statement) or other tax documents showing the full name and entire SSN may be acceptable proof of your SSN. Additional owners must submit Photo ID.

Purpose: To verify/authenticate each owner. If application notes multiple owners, check for a valid Photo ID for all additional owners/principles.

Examples of government-issued photo identification include:

- Driver's license with a photograph
- State identification card with a photograph
- Immigration and Naturalization Service documents – must contain a photograph
- Military identification with a photograph
- Alien Registration Card with a photograph
- Valid passport
- Citizenship papers with photograph.

ORGANIZATIONAL DOCUMENTS

Alternate: Organizational documents for corporations or partnership may be viewed online. Search for business at: <https://businesssearch.sos.ca.gov/CBS/Detail>. (Note: This website does not have information for sole proprietorships.) For determining all owners, tax forms may be used as an alternative for most business entities.

Purpose:

- To verify legal ownership (i.e., how many owners there are). All owners are listed. Applicants may be listed as sole owner or co-owner.
- To verify entity type (ensure business is eligible)

Required Organization Documents by entity type:

- For corporations: copy of recorded Articles of Incorporation and Bylaws
- For partnerships (general or limited): copy of Partnership Agreement and GP-1 or LP-1
- For LLCs: copy of recorded Articles of Organization and Operating Agreement
- For sole proprietorships: recorded Fictitious Name filing, if available.
- If a trust is involved: Trust Agreement and names of trustees and signers

Program Results



Program Success

- The LACDA screened 276 businesses that submitted intake forms from across the County.
- A total of 66 businesses have been awarded grants up to \$15,650 to cover day-to-day operations.
- Use of funds included costs such as salaries, rent, and purchasing adaptive equipment to maintain physical distancing and keeping employees and the community safe.



THANK YOU
for shopping
LOCAL



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