



PROSPER
PORTLAND
Building an Equitable Economy

DATE: August 12, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-40

Authorizing Execution of Intergovernmental Agreement with the City of Portland Office of Management and Finance to Deploy Business Relief Grants with Federal Coronavirus Aid, Relief, and Economic Security Act Funds and Adopting Revised Portland Small Business Relief Fund Program Guidelines

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7395

This action by the Prosper Portland Board of Commissioners (Board) will i) authorize execution of an Intergovernmental Agreement (IGA) with the City of Portland (City) Office of Management and Finance (OMF) to deploy business relief grants with Coronavirus Aid, Relief and Economic Security Act funds (CARES); ii) revise the Portland Small Business Relief Fund (Business Relief Fund) Program Guidelines; and iii) authorize the Executive Director to execute contracts with service providers. If approved, this action will allow Prosper Portland to invest \$15,000,000 of critical federal resources in Portland businesses affected by the COVID-19 pandemic.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action will deliver on Prosper Portland's Strategic Plan goals to create healthy, complete neighborhoods; provide access high quality employment; foster wealth creation within communities of color; and form 21st century civic networks, institutions, and partnerships.

BACKGROUND AND CONTEXT

On March 26, 2020, through Resolution No. 7363, the Prosper Portland Board took a series of actions to create the Small Business Relief Fund to provide grants and loans to businesses facing hardship due to the coronavirus. Since that time, staff have worked with community partners to provide \$2,000,000 in emergency relief to Portland businesses affected by the pandemic.

After federal action authorizing resources to municipalities across the country, on July 22, 2020 Portland City Council through Ordinance No. 190057 appropriated \$15,000,000 of CARES resources to Prosper Portland to provide business support through the Small Business Relief Fund and Small Business Block Grants. In order to pass the federal resources to Prosper Portland, OMF and Prosper Portland will enter into an IGA that outlines the scope of work, equity requirements, and reporting requirements. To deliver resources to community partners,

Prosper Portland will subsequently execute contracts and agreements with subrecipients to disburse funds to Small Business Relief Fund applicants and to administer Small Business Block Grants which will be administered by cultural and industry-specific business serving organizations.

Revisions to the Small Business Relief Fund Program Guidelines (see a redlined version in Attachment A) have been informed by lessons learned from previous grant cycles, business listening sessions and updated priorities outlined by City Council and the Economic Recovery Task Force. These revisions include more flexibility for allowable uses, increase maximum grant amount, and expand business eligibility to include commercial property owners and businesses with revenue under \$5,000,000, as well as to expand eligibility to childcare provider nonprofits and social enterprises.

EQUITY IMPACT

The Business Relief Fund Program Guidelines prioritize small businesses that are public facing and directly impacted by new COVID-19 public health requirements and/or did not receive sufficient federal funds to support their business; those owned by Black, Indigenous, Asian Pacific Islander, and People of Color, and women; and those with limited wealth.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff received feedback from the Economic Recovery Task Force and City Council regarding criteria for disbursing the federal funds. Recent business listening sessions and past grant cycles has also informed program criteria and priorities. A selection committee will guide the project team on applicant selection criteria and equity priorities. Small Business Block Grant partners will lead their own engagement processes to inform those cultural and industry specific programs.

BUDGET AND FINANCIAL INFORMATION

Prosper Portland anticipates receiving \$15,000,000 of CARES. Approximately \$12,000,000 will be allocated to the Business Relief Fund and \$3,000,000 in Small Business Block Grants through community-based partners. Community-based partners involved in disbursing the \$12,000,000 can receive up to a 7.5 percent administrative allocation, while Small Business Block Grant partners can receive up to a 10 percent administrative allocation. Since these resources were not anticipated in the fiscal year 2020-21 Adopted Budget, staff through a separate action on the August 12, 2020 meeting will seek Prosper Portland Board approval of a budget amendment to acknowledge these resources.

RISK ASSESSMENT

There are very few risks to this proposed action. Given the scale and timeline to deploy the resources, other project and program timelines may need to be modified to ensure there is appropriate staffing on this project.

ATTACHMENTS

- A. Small Business Relief Fund Program Guidelines Redlined Edits