



Staff Report

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**File #:** 23-0713

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 09/20/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** Economic Development Department

**SUBJECT:**

PROFESSIONAL SERVICES AGREEMENT WITH CHARITABLE VENTURES FOR BUSINESS GRANTS ADMINISTRATIVE SERVICES AND APPROVAL OF BUSINESS GRANTS PROGRAM GUIDELINES

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to consider approving a Professional Services Agreement with Charitable Ventures for Business Grants Administrative Services for a total not-to-exceed amount of \$99,125. This staff report also asks the City Council to approve the Business Grants Programs Guidelines, which is inclusive of an Entrepreneur Grant, Small Business Grant, and Downtown Commercial Beautification Grant, and authorize staff to amend these guidelines, as necessary.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Approve a Professional Services Agreement with Charitable Ventures for Business Grants Administrative Services.
- b. Authorize the City Manager, or his designee, to execute the Professional Services Agreement with Charitable Ventures for \$99,125.
- c. Approve the Small Business Grants Program Guidelines and Downtown Commercial Beautification Grants Program Guidelines for the City's American Rescue Plan Act-funded Small Business Grant Programs.
- d. Authorize staff to amend the Small Business Grants Program Guidelines and Downtown Commercial Beautification Grants Program Guidelines, as necessary.

**BACKGROUND & HISTORY:**

The City’s adopted Economic Development Strategic Plan and Downtown Revitalization Plan each outline strategic actions to support small businesses by establishing business grant programs. Both plans call for the City to explore a variety of business grant opportunities to continue to support businesses impacted by the COVID-19 pandemic as well as opportunities to further revitalize Downtown Corona through commercial façade improvements. In response to the COVID-19 crisis, Congress passed the American Rescue Plan Act (ARPA) in 2021. ARPA was approved to provide direct pandemic relief allocations to states, territories, tribal areas, cities, and counties. The City of Corona was awarded approximately \$29 million in ARPA funds. In November 2021, City Council appropriated its ARPA funds by establishing several Capital Improvement Projects for ARPA-eligible projects. One such project was “Business Grants” and the City Council appropriated \$1 million for it. Since that time, staff has been researching ARPA-funded small business grant programs throughout the region and reaching out to surrounding agencies with similar programs to develop effective grant programs that will support Corona’s business community in their continued recovery. A recommendation shared by several agencies was to work with an administrative grants partner to effectively manage the business grants programs and ensure program compliance with ARPA guidelines.

In a December 2022 Committee of the Whole meeting, staff presented City Council with three proposed Small Business Grant Programs: Entrepreneur Grants, Small Business Grants, and Downtown Commercial Beautification Grants. The Entrepreneur Grants would consist of a \$5,000 grant opportunity for either commercial or home-based businesses with four or fewer employees. Small Business Grants will include a \$10,000 grant opportunity for commercially based businesses with five to twenty-five employees. The Downtown Commercial Beautification Grants would offer a \$20,000 grant opportunity for businesses located along the Sixth Street corridor looking to make exterior enhancements to their commercial property. Staff incorporated Council’s feedback provided during Committee of the Whole and drafted program guidelines for the three grant programs. As part of the development of the grant programs, staff researched grant program administrative firms and most recently completed a Request for Proposals (RFP) process to secure a qualified firm.

**ANALYSIS:**

The City released a RFP (RFP 24-0058T) on July 20, 2023, to 700 financial-related firms. A total of six firms submitted proposals on the submittal date of August 24, 2023. The evaluation team reviewed the proposals using the criteria noted below.

- Qualifications of firm in relation to similar projects, strength of the firm and subconsultants, and experience working with public agencies.
- Qualifications of personnel and assigned project staff.
- Proposed work plan and demonstrated project understanding and approach.

Table 1 below provides firm rankings based on technical review of their proposal.

**Table 1: Firm Rankings**

<b>Firm</b>	<b>Average Rank</b>
Charitable Ventures	1
Berkeley Strategy Advisors	2
Booth Management Consulting, LLC	4*
Geocko, Inc DBA Forward	4*
Global Urban Strategies, Inc.	5
Eli Patrick & Co.	6

\*Booth Management Consulting, LLC and Geocko, Inc DBA Forward both received the same total score and final rank which averaged out to fourth place.

After completing its technical review of proposals, staff recommends that an Agreement (Attachment 1) be approved with Charitable Ventures for administrative services of the City’s business grants programs. Charitable Ventures is a Southern California-based firm with more than 15 years of experience in grants management. Charitable Ventures has helped distribute more than \$27 million in federal and private COVID-19 relief funds to individuals, nonprofits, and small businesses. The nonprofit firm has performed grant administration for several local agencies including the County of Riverside’s Micro Business Relief Fund and the County of Orange’s CARES Act Relief Grants.

If approved by the City Council, Charitable Ventures will be responsible for program development support, website and application creation, application processing, eligibility verification, data storage, receipt documentation, fun distribution, and 1099 form processing. Additionally, Charitable Ventures will support City staff with developing engaging marketing and outreach material and partner with business organizations to inform the business community about the forthcoming grant opportunities.

The total proposed not-to-exceed compensation is \$99,125. While price could not be a determining factor for ranking proposals due to the use of ARPA funds, Charitable Ventures did have the lowest proposed cost of the six proposals received. The term of the proposed Agreement is up to 15 months, expiring December 31, 2024, with Charitable Ventures anticipated to complete the administration of the proposed business grant programs and issuance of grants within that timeframe. Per ARPA guidelines, the grant funds must be encumbered by December 31, 2024.

In addition to staff’s request to approve the proposed Agreement with Charitable Ventures, staff is also requesting Council’s approval of the Program Guidelines for Small Business Grants (Attachment 2) and Program Guidelines for Downtown Commercial Beautification Grants (Attachment 3). The program guidelines for each program outline grant funding amounts, eligibility criteria, reimbursable expenses, and how the program will be administered and implemented including application intake, review, grantee selection, and awarding of funds. A summary table highlighting the three grants and proposed allocations is included below (Table 2). To account for changes in need or varied participation in grants, staff is also requesting Council authorization to amend the program guidelines and adjust any criteria, if necessary.

**Table 2: Corona Business Grant Programs Allocation**

<b>Grant Type</b>	<b>Eligibility</b>	<b>Grant Amount</b>	<b>Number of Grants</b>	<b>Funding Allocation</b>
Entrepreneur	Home-based or commercial-based business with 4 or fewer employees	\$5,000	60	\$300,000
Small Business	Commercial-based business with 5-25 employees	\$10,000	30	\$300,000
Downtown Commercial Beautification	Commercial-based business within Downtown Corona with 25 or fewer employees	\$20,000	15	\$300,000

**FINANCIAL IMPACT:**

In November 2021, City Council appropriated \$1 million of the City’s \$29 million ARPA grant and established multiple Capital Improvement and Operating and Maintenance Projects within the American Rescue Plan Fund 413 in order to clearly track funds. One of the projects created is Business Grants Operating and Maintenance Project No. 76760 with an appropriation of \$1 million. The proposed Agreement will be expended from the Business Grants Operating and Maintenance Project, leaving a remaining balance of \$900,875 to be divided evenly amongst the three proposed business grant programs.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action simply approves a formalized agreement between the City and Charitable Ventures for Business Grants Administration and there is no possibility that adopting this action will have a significant effect on the environment.

**PREPARED BY:** AMANDA WICKER, ECONOMIC DEVELOPMENT ADMINISTRATOR

**REVIEWED BY:** JESSICA M. GONZALES, ECONOMIC DEVELOPMENT DIRECTOR

**Attachments:**

1. Exhibit 1 - Professional Services Agreement with Charitable Ventures
2. Exhibit 2 - Small Business Grants Program Guidelines
3. Exhibit 3 - Downtown Commercial Beautification Grants Program Guidelines