



CITY OF WAUKESHA

Administration

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| Committee: None | Date: 2/2/2021 |
| Common Council Item Number: 21-1697 | Date: 2/2/2021 |
| Submitted By: Jennifer Andrews, Director of Community Development | City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text. |
| Finance Department Review: Bridget Souffrant, Finance Director Click here to enter | City Attorney's Office Review: Brian Running, City Attorney Click here to enter text. |
| Subject: Review and act on a request by the Community Development Department to accept a \$225,000 Cares Act Community Development Block Grant (CDBG-CV) for a Micro-Enterprise Grant program to assist small businesses impacted by COVID-19. | |

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| Details: | | | | | | | | |
| <p>Waukesha County received an allocation of Community Development Block Grant (CDBG-CV) funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. In October of 2020 the Department of Community Development submitted an application to use a portion of these funds to create a Micro-Enterprise/Small Business COVID-19 Relief grant program. We were awarded \$225,000 in CDBG-CV funds for this grant program. This is outside of our normal CDBG allocation, so these funds will have no impact on the annual allocation we use for programs and services.</p> <p>The grant program will be structured similar to the Waukesha Works grant program we did last year. However there are some significant differences. First, this new program will not use any City budget dollars. It will be funded through the CDBG-CV grant award. We will be using City staff time, but no City dollars will be used for grant awards. The other differences are in eligibility and fund uses. Since this is CDBG funds, they have the following limits on who can receive funds through this program:</p> <ul style="list-style-type: none"> • Must have five (5) or fewer employees • Must have been in business as of January 1, 2020. • The owner of the business must have either a household or individual income at or below 80 percent of the 2020 Waukesha County Median Income Level. The owner could still be eligible if their 2019 income was over the County Median Income Level but due to COVID-19, their income has dropped below the County Median Income Level. Verification will be based on either 2019 income or an average of the last 3 months income. The table below lists the maximum income levels based on household or individual income that are allowed for eligibility. | | | | | | | | |
| | Persons in Household | | | | | | | |
| | 1 <small>*Individual income limit</small> | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Qualifying Income | \$46,950 | \$53,650 | \$60,350 | \$67,050 | \$72,450 | \$77,800 | \$83,150 | \$88,550 |



The Micro-Enterprise grant funds can only be used for expenses that have not already been funded through another program (federal, state, or local) and that were incurred as a direct result of COVID-19. Eligible uses for grant funds include:

- Rent, mortgage, and utility assistance
- Physical Improvements to your business in response to COVID-19
- Purchase of equipment or materials due to COVID-19. This includes plexiglass, special cleaning/disinfectants, electrostatic sprayers, etc.
- Purchase of personal protective equipment. This includes masks, face shields, hand sanitizer, and disposable gloves.
- Marketing and advertising. Only costs that are directly related to COVID-19 response, such as online ordering, are eligible.

The City will create a detailed application and review process to ensure all CDBG requirements are met. Once the grant is completed we will report back to the Common Council and the Waukesha County Community Development Block Grant Board with a presentation outlining the number of businesses served, grant awards, and other metrics.

Complete details on the grant program, eligibility, grant requirements/restrictions, and grant process are included with this cover sheet.

Options & Alternatives:

If the Council accepts the funds staff will launch the grant program in February. If the funds are rejected, the grant program will not go forward.

Financial Remarks:

All of the funds are through federal Community Development Block Grants and have no impact on the City's budget.

Executive Recommendation:

Staff recommends the Common Council accept the \$225,000 in CDBG-CV grant funds for the Micro-Enterprise COVID-19 Relief Grant Program.