Legislation Text

File #: 21-304, **Version:** 1

TITLE:
Approval of the COVID-19 Mitigation Business Grant Policy

PURPOSE: The purpose of this agenda item is to request that the Town Council approve the COVID-19 Mitigation Business Grant Policy that will guide the distribution of Town-received ARPA funds for small businesses to help mitigate the negative impacts from COVID-19.

DEPARTMENT: Economic Development

CONTACT INFORMATION: Jon Hartman-Brown, Economic Development Director, 919-391-7846, JHartman-Brown@TownofCarrboro.org

INFORMATION: This policy will direct the disbursement of $300,000 of Town received ARPA funds to small businesses and non-profits in Carrboro as previously approved by Council on June 22, 2021. To qualify, businesses must be based in Carrboro and have been in operations before July 1, 2020. Applications will be prioritized based on the following criteria: Tourism Sector Business; Year-over-year revenue loss of 30 percent or greater for any six-month period from April 2020 to April 2021; Businesses owned by, employing, or serving low to moderate income persons, BIPOC or Woman Business; Paying a Certified Living Wage; Locally owned; Located in Carrboro for five+ years; and Businesses with two or fewer locations. Grant funds of up to $10,000 per applicant can be used for marketing and advertising, back rent and utilities, non-Federal COVID-19 loan repayment, training new under- or un-skilled employees, and capital expenditures to adapt a business to a post-COVID-19 environment. Staff anticipate opening the four-week application period within two weeks after Council approves the policy.

It is important to note that staff are recommending some changes from the original policy proposed to align this grant program with requirements on governments from the North Carolina constitution - specifically as it relates to helping low- and moderate-income persons. These additional standards will prioritize businesses that are owned by, employ, or assist low to moderate income persons. North Carolina general statute defines and is generally understood to mean persons of low- or moderate-income as those earning 80 percent of area median income (AMI) or below. Therefore, it is recommended that a ceiling of 80 percent of the median income for the Durham-Chapel Hill, NC HUD Metro Area be used to qualify for this program.

Staff also would like to draw attention to the prioritization criteria of businesses being in Carrboro for five or more years. This prioritization may cause some new, younger businesses to not receive the grant over older, more mature businesses. At this time, we do not know how many businesses have been located in Carrboro for five or more years, therefore do not know the specific impact this criterion may have.

Staff are also recommending a decrease in the maximum amount awarded to each business from $20,000 to $10,000 to provide a higher public benefit by helping more businesses.

FISCAL & STAFF IMPACT: The Council has allocated $300,000 of the ARPA funds and staff time

will be required to administer the policy and grant program.

RECOMMENDATION: Staff recommends approval of the policy.

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