



Small Business Grant Program Round Two: Proposed Award Amount Increase

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Small Business Grant Program

- Background
 - Small Business and Non-Profit Grant Program
- Recommendations for Program Enhancement
- Questions & Discussion



Overview

- In February 2022, Council approved Resolution 2022-26 which directed staff to allocate ARPA funds:
 - \$4 Million to develop a Small Business and Non-Profit Grant Program
 - \$1 Million for Entrepreneurial Resource Center (ERC)
- August 2, 2023
 - Council approved the reassignment of \$873,700 from the Small Business Grant Program to the ERC to enhance the education and training resources available to the community.
 - The ERC provides training and education to small businesses and entrepreneurs and houses the regional Small Business Development Center which plays a critical role in reviewing and preparing potential applicants for Grant Program



Small Business Grant Program

- **First Round - \$3 Million Allocation**

- Opened on October 10, 2022
- Closed on December 12, 2022
- Qualified Applicants could receive between \$10,000 - \$35,000
- \$2 Million earmarked for eligible for-profit small businesses
- \$1 Million earmarked for eligible non-profit businesses

ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue \$1,000 to \$100,000	\$10,000
Annual gross revenue greater than \$100,000 up to \$1,000,000	\$20,000
Annual gross revenue greater than \$1,000,000 up to \$2,500,000	\$35,000

ELIGIBLE NON-PROFIT GROSS REVENUE	GRANT AWARD AVAILABLE PER NON-PROFIT
Annual gross revenue greater than \$100,000 up to \$250,000	\$10,000
Annual gross revenue greater than \$250,000 up to \$500,000	\$15,000
Annual gross revenue greater than \$500,000 up to \$1,000,000	\$25,000
Annual gross revenue greater than \$1,000,000	\$35,000



Small Business Grant Program

- **First Round – Results:**
 - Over \$2,575,000 awarded to 105 qualified applicants
 - 87 For-Profit Small Businesses
 - 18 Non-Profit Businesses
 - Grants were used for a variety of critical needs including:
 - Working Capital and Payroll Expenses
 - New Furniture, Fixtures, and Equipment
 - Maintenance and Upgrades to existing Equipment
 - Marketing
 - Certifications/Licenses



Small Business Grant Program



Inland Empire Autism Assessment Center

Awarded \$35,000

Funds were used to pay rent expenses



Small Business Grant Program



Viva La Boba

Awarded \$25,000

Funds were used for payroll, to purchase new equipment, and to make repairs to existing equipment



Small Business Grant Program



Project Fighting Chance

Awarded \$10,000

Funds were used for payroll, utilities, inventory management, and marketing



Small Business Grant Program

Second Round - \$551,300:

- March 6, 2024, Council approved Staff to allocate the unspent funds from the Small Business Grant Program to fund Round Two of the Small Business Grant Program.
- Council approved grants awards in the amounts of \$5,000 and \$10,000 dependent, upon the applicant's gross revenue.
- Program Opened on May 1, 2024

ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue under \$50,000	\$5,000
Annual gross revenue equal or greater than \$50,000 up to \$2,500,000	\$10,000



Small Business Grant Program

- **Second Round:**
 - Opened on May 1, 2024
 - 29 applications have been identified as qualified and are currently eligible to receive grant awards.
 - Grants will assist these businesses with items such as:
 - Maintaining and upgrading existing equipment
 - Marketing/Website Maintenance
 - New Furniture, Fixtures, and Equipment
 - Inventory Management
 - Re-employ previously downsized employees
 - Security Systems



Small Business Grant Program

Based on the quality of the applications and the types of projects the prospective grant awardees have been outlining in their applications, staff requests that Council consider increasing the award amounts in the program's second round. This will allow the program to provide a maximum impact to the San Bernardino Small Business Community.

Recommended Awards:

ELIGIBLE BUSINESS GROSS REVENUE	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue under \$50,000	\$10,000
Annual gross revenue equal or greater than \$50,000 up to \$2,500,000	\$20,000



Recommendation

It is recommended that the Mayor and City Council direct staff to increase the individual grant award amounts for the Small Business Grant Program, Round Two from \$5,000 & \$10,000 to \$10,000 & \$20,000 for eligible applicants.



Questions?