

MEMORANDUM

To: CRA Board

From: Carlos Peralta

Date: March 17, 2021

Re: CRA and City of Cambridge COVID-19 Relief Grant Program

COVID-19 RELIEF PROGRAM

In the Spring of 2020 to help alleviate the impact of the pandemic on local businesses, the City of Cambridge (City) initiated a Small Business COVID-19 Relief Program. The City's special grant program assisted eligible retail, food, personal services, and creative for-profit businesses in Cambridge with grants of up to \$6,000 per brick-and-mortar business. The program provided short-term working capital assistance to enable the viability of the business and the retention of jobs during the severe interruption of business related to the COVID-19 pandemic. Due to the Community Development Block Grants (CDBG) guidelines, the City's federally-funded program was restricted to assist businesses in the Neighborhood Revitalization Strategy (NRS) areas of Cambridge. The City's geographical restrictions resulted in sections of the City not eligible to apply for relief. Thus, leading the CRA Board to approve the implementation of a CRA Small Business COVID-19 Relief Grant Program applicable for establishments in East Cambridge and Kendall Square outside the NRS areas. Although this CRA's program was successful in providing over \$250,000 of relief grants, the similarity in the two programs caused some confusion to applicants and also involved large amounts of Staff time to run the program.

Following the execution of the first two grant programs, the City and the CRA coordinated their relief efforts to create a larger (\$2,000,000 grant) and zero interest loan) program to provide a larger influx of COVID-19 relief for small businesses in Cambridge, incorporating \$500,000 of grant funds from the Mayor's Disaster Relief Fund and \$1,500,000 of loan commitments from the CRA. The program was administered through one application that was reviewed and awarded by a committee of City and CRA staff. The execution of the loan program and funding was done by the CRA with the loan servicer, Cambridge Savings Bank. The CRA continues to support the loan recipients with their inquiries. The first amortization is in September 2021.

CRA Staff has continued participating in ongoing City-wide discussions on how best to provide additional relief to many small businesses still struggling from the financial impact of the global pandemic. Recently, the City and CRA met to discuss how best to provide relief to City businesses that have yet to receive COVID-19 relief assistance through the previously grant and loan programs. The City is finalizing confirming the relief fund amount remaining in the Mayor's Disaster Relief Fund. These funds will be utilized to create a City-wide grant program without the NRS area restriction.

In the effort to continue the success of the streamlined loan program the City has proposed that the CRA's small business relief fund totaling \$200,000 is once again synchronized with the City's relief program. Thus, creating one defined program for businesses to apply for relief. Program specifics will need to be finalized during additional meetings between the City and CRA.

Once the program details are confirmed, the City run program with the infusion of CRA funds is anticipated to provide grants of up to \$6,000 to local small businesses as many begin to reopen with reduced COVID-19 restrictions. The funds would be a source of available capital that can assist with

the recovery efforts, prioritizing business that have not received past relief from the City or the CRA along with additional criteria to promote assistance targeting minority- and women-owned businesses.

CRA BOARD MOTION

Motion: Authorizing the Executive Director to coordinate a 2021 Small Business COVID-19 Recovery Grant Program in combination with the Mayor's Disaster Relief Fund for the creation of a City-wide small business relief program to be managed by the City of Cambridge, utilizing \$200,000 of CRA funds identified for COVID relief in the 2021 budget.