

## MEMORANDUM

**To:** CRA Board

**From:** Carlos Peralta

**Date:** October 21, 2020

**Re:** CRA COVID-19 Relief Grant Update

## SUMMARY

The CRA Board approval on June 17<sup>th</sup> approved CRA staff to shift the **\$300,000** committed in the 2020 budget to the Forward Fund to support local small businesses in the COVID-19 emergency shutdown. This assistance came in the form of the CRA COVID-19 Grant program which was crafted to support Kendall and East Cambridge businesses ineligible for the City's initial small business relief program. In addition, the CRA Board also approved the option for all active Forward Fund grantees to utilize unspent funds for emergency operation expenses, lifting the capital project expectation from the grant agreements, and executing the immediate disbursement of unspent funds. Further the CRA offered Forward Fund technical assistance grant recipients the option of advancing their facility projects if they were ready to implement the planned capital investments. For numerous reasons, not all of the COVID grant funding was allocated, therefore the CRA staff proposes creating a new small grant program to utilize the remaining funds to assist childcare organizations.

## BACKGROUND

### Small Business COVID Grant Program

During the course of the grant program the CRA received over fifty-one complete applications for review and has provided relief funds to twenty-three local small businesses, for a total of \$129,827. These funds provided short-term working capital to enable the viability of the business and the retention of jobs during the severe interruption of business related to the impact of COVID-19 pandemic.

A requirement of the CRA small business relief program awardees of the grant were asked to complete a survey that would be utilized by staff to collect important data to help recognize how the CRA grants were allocated to support the selected East Cambridge and Kendall Square awarded businesses. Some highlights included:

- 90% of the recipients also received other forms of financial assistance (PPP, SBA Loans, etc.)
- 80% of the recipients had to close their businesses at some point due to the pandemic.
- 95% of the business have since reopened, unfortunately, the others have had to close for good or have decided to halt operations until the spring.
- The businesses had to take extra measures as result of the pandemic which included;
  - 11 of the 23 awarded businesses had to reduce services when they reopened for business.
  - 12 businesses had to create an online presence which wasn't part of their original business plan.

- o 12 businesses unfortunately had to lay off a majority of their staff.
- o 16 business reduced their operating hours.

As business move forward the major concerns listed in the survey were the ability to pay wages and also the health of their staff. The health concern has also required many business to shift a larger portion of operational budgets to purchase of safety supplies and equipment.

### Forward Fund Assistance to Non-Profits

The lifting of the capital project requirement provided operational budget relief to a small number of nonprofits during this challenging time. However, many previous Forward Fund grantees were completing their projects or were significantly underway and decided not to take advantage of this option. Additionally, one technical assistance grantee was prepared to move forward with their project in 2020.

Throughout the pandemic staff has continued discussions with local nonprofit groups and to better understand what are their immediate needs and many other of the challenges facing their sector. The CRA received feedback that childcare providers were particularly struggling with increasing demands with limited new resources. As many schools remain closed to in person learning and parents return to work many of these parents have to make the difficult decision of where to find childcare during the working hours. As parents return to work and area schools provide more limited on-site programs, families are utilizing the wide range of options offered by many of Cambridge’s nonprofit centers and childcare providers. Many of these organizations shifting large portions of their operating budget to the purchase of Personal Protecting Equipment (PPE) and cleaning supplies to protect the children and staff utilizing their facilities. Other centers have had to explore adapting their facility designs and reduce enrollment.

## COVID RELIEF FUNDING OVERVIEW

|  |                  |
|--|------------------|
| Original 2019 Forward Fund (FF) Allocation | \$300,000        |
| COVID Small Business Grants                | \$129,827        |
| Non-profit Operational Relief              | \$ 17,500        |
| <i>Proposed Shift to Loan Fund</i>         | <i>\$ 5,000*</i> |
| <i>The Dance Complex Chair Lift FF</i>     | <i>\$ 25,000</i> |
| <b>Remaining FF / COVID Relief Funds</b>   | <b>\$127,673</b> |

\* The Board also approved shifting an additional \$5,000 to the Business Relief Loan fund, however those funds were not ultimately utilized.

## PROGRAM PROPOSAL

Staff has communicated with the City’s Department of Human Services (DHS) and discussed this urgent need. Ellen Semonoff, Assistant City Manager for Human Services has confirmed that DHS and the Public Health Department has recently funded the Mask Collaborative, which provides masks to low income children and families as a way to support the need. As part of the continued community-wide CRA COVID-19 relief efforts during this pandemic, it is proposed that the CRA redirect the remaining grant relief funds toward childcare and after-school facilities with a focus on assistance to non-profit childcare programs. The redirection of these funds will support the need to adapt facilities to meet COVID-19 protocols, and toward the purchase of PPE and cleaning supplies.

Available grants will be in amounts not to exceed \$5,000, this will permit the CRA to provide at minimum 24 awards. Staff will continue discussion with DHS in effort to finalize the best method in which to distribute funds in a timely manner.

## CRA BOARD MOTION

Motion: *To authorize the Executive Director to redirect the remaining COVID-19 relief grant funds toward childcare and after-school facilities with a focus on assistance to non-profit programs.*