



Recommendation for Action

File #: 20-3815, **Agenda Item #:** 14.

1/27/2021

Posting Language

Ratify a contract amendment with the Better Business Bureau to provide additional grants to small businesses that had previously applied to the Austin Small Business Relief Grant program, in the amount of \$4,803,025, for a total contract amount not to exceed \$32,008,025.00.

Lead Department

Economic Development.

Fiscal Note

No Fiscal Impact.

Prior Council Action:

May 7, 2020 - Approved Resolution No. 20200507-023 directing the City Manager to develop an initial program to help sustain small and local non-profit organizations and businesses using a portion of federal dollars designated for pandemic-related relief, and partner in the creation of a regional Economic Response Dashboard.

June 4, 2020 - Approved Resolution No. 20200604-040 adopting the COVID-19 proposed spending framework for the use of all available federal and local funding that leverages and maximizes the benefit of federal COVID-19 relief funding and local funding.

June 4, 2020 - Approved Resolution No. 20200604-049 authorizing the City Manager to review the process for providing direct financial relief to underserved communities based on the RISE Fund framework and to adjust that process to streamline the intake and management of the funding for the benefit of the individuals being served; and directing the City Manager to return with a budget amendment if necessary to add funding to the RISE Fund.

June 11, 2020 - Approved Resolution No. 20200611-103 ratifying the contract with the Better Business Bureau (BBB) to administer the Commercial Loans for Economic Assistance and Recovery (CLEAR) and Austin Nonprofit and Civic Health Organization Relief (ANCHOR) Fund grant program to disburse emergency funds to small businesses and non-profits in need of relief as a result of the COVID-19 pandemic in amount not to exceed \$1,144,000 with an option to amend and extend the term.

October 1, 2020 - Approved Resolution No. 20201001-012 ratifying a contract amendment with the BBB to administer a total of \$25,890,750 in emergency funds through the Austin Small Business Relief Grant, the Austin Non-Profit Relief Grant, and the Austin Creative Worker Relief Grant programs, with an option to amend and extend the term and administrative fee should additional grant funds become available to administer.

For More Information:

Sylvia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131.

Council Committee, Boards and Commission Action:

None.

Additional Backup Information:

In response to financial hardships caused by the COVID-19 pandemic, Austin City Council approved creation of the Austin Small Business Relief Grant, the Austin Non-Profit Relief Grant, and the Austin Creative Worker Relief Grant programs. Following the City Council's direction, the Economic Development Department (EDD) sought a third-party non-profit to administer these relief programs. EDD evaluated third parties based on their experience providing direct program delivery and administration assistance, including managing local, state, federal or private funding to assist in grant administration.

EDD selected the BBB to administer these programs. The BBB meets with EDD project management representatives regularly, as identified in the scope of work and deliverables. The BBB provides administrative oversight, facilitation, and holistic program delivery in issuing recovery grants to eligible grant applicants of Council-authorized programs.

The contract amendment with BBB would add \$4,803,025.00 to the existing contract for the purpose of making additional grant awards to small businesses that had previously applied to the Austin Small Business Relief Grant program. The sources of these additional funds include CARES Act funding (\$2,190,525), Community Development Block Grant - Coronavirus (CDBG-CV) funding (\$2,500,000), and the Business Preservation Fund (\$112,500). BBB will receive an administration fee of \$162,500 for providing these additional services. This amendment will bring the total value of BBB's contract to \$32,008,025, of which \$30,501,275 will have been disbursed in grants and \$1,506,750.00 will have been paid in administration costs.

Strategic Outcome(s):

Economic Opportunity and Affordability.