

Los Angeles COVID-19 Recovery Fund



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DEPARTMENT OF CONSUMER
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LA County Board Motion

- Establishing a regional COVID-19 Relief Fund for Small Businesses and Nonprofits.
- A multi-tiered programmatic model
- Low-cost working capital loans to maintain small businesses who may not qualify for federal disaster assistance;
- Working capital loans to nonprofit organizations and small businesses who are providing essential services, or transitioning from an existing model to provide essential services, that directly address the health or economic impacts of COVID-19
- Cash grants to microentrepreneurs and other highly vulnerable populations who will not qualify for federal disaster relief.

Recovery Fund Priorities

1. Provide loan and grant capital to Los Angeles small businesses, microentrepreneurs and nonprofit organizations.
2. Ensure equitable access to capital across geography, demographics and borrower type.
3. Undertake a coordinated and strategic fundraising approach to maximize resources for the Fund.
4. Facilitate the participation of Los Angeles based CDFIs as technical assistance providers and originating lenders.
5. Gather and report robust social impact metrics.

Overview of Grants

- Fund: \$3,200,000 grant fund
 - \$2M from the County, \$1M from the City, and \$200K from Union Bank
- Grant Sizes:
 - \$5,000 grants to microentrepreneurs
 - \$15,000 grants to non-profits and small businesses

Target Recipients

- **Small businesses** with less than \$1 million in annual gross revenue
- **Micro-entrepreneurs:** Those individuals participating in the gig economy, particularly street vendors, sole proprietors, 1099 workers, and/or single-member LLCs with annual income/revenues of less than \$100,000. Undocumented individuals will be eligible to apply.
- **Nonprofit social service providers** that serve low-to-moderate income communities with less than 10 employees or under \$1 million budget.
- Entities located in or primarily serving low-to-moderate income census tracts.

Distribution

- The Grant Fund will utilize a weighted computer system to implement an equity lens on the selection of recipients.
- The Fund will seek equitable distribution across geographies, prioritizing low-to-moderate income neighborhoods that may not have been able to take advantage of other public emergency lending sources.
- County funds to be disbursed within the County, with equitable distribution across the five County Board of Supervisor Districts; not including the City of LA.
- City funds to be disbursed within the City, with equitable distribution across the 15 Council Districts.
- Equitable distribution between the County and the City, based on investment.

Process

1. Announce availability of TA two weeks before application opens*
2. Deliver TA support and on-going promotion starting one week before applications opens
3. Open grant portal – online only
4. Drawing of awards
5. Recipients notified and verification process begins
 - W9
 - ACH form
 - Voided check
 - COVID-19 Small Business Substantiation Statement
 - Tax Return to verify annual income/revenue
 - Attend 1-hour webinar
6. If process completed, funds are issued.
7. Assess, Report, Adjust, Repeat
8. Grant funds released over six rounds of approx. \$533,000 each.

*Only during the first round

Tentative Timeline

	Application Open timeframe		Review timeframe		Funding awarded timeframe	
Round 1	06/29/20	07/3/20	07/6/20	07/17/20	07/20/20	07/31/20
Round 2	07/13/20	07/17/20	07/20/20	07/31/20	08/03/20	08/14/20
Round 3	07/27/20	07/31/20	08/03/20	08/14/20	08/17/20	08/28/20
Round 4	08/10/20	08/14/20	08/17/20	08/28/20	08/31/20	09/11/20
Round 5	08/24/20	08/28/20	08/31/20	09/11/20	09/14/20	09/25/20
Round 6	09/08/20	09/11/20	09/14/20	09/25/20	09/28/20	10/9/20

Technical Assistance

- LISC will coordinate and train TA providers
- Services:
 - Guide through application
 - Gathering of documents
 - Access to technology
 - Printed application
- The TA will run over a 3-month period.

TA Providers

- **Local Organizations**

- API Small Business Program
- Inclusive Action for the City
- LA Area Chamber
- Lendistry
- New Economics for Women
- PACE
- Pacific Coast Regional

- **Multilingual:**

- English, Spanish, Cantonese, Mandarin, Japanese, Khmer, Korean, Tagalog, Thai, Hindi, Vietnamese, Cambodian, Urdu, Amharic, Russian, Armenia, and Malay.

- **Geography:**

- Countywide

- **Outreach Tools:**

- Existing Base
- Social Media
- Chambers
- BIDs
- Word of Mouth
- Text Messages

Marketing Opportunities

- Daily briefings
- Newsletter
- Social Media
- Host a webinar
- Ethnic media press conference

Questions?
