

DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 3/8/21

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. Title: Amends a contract between Denver Economic Development & Opportunity and Mile High United Way (MHUW) based on \$750,000 in additional designated local emergency relief funds and 12 additional months to continue and expand Denver's Small Business Emergency Relief Fund in response to significant demand from local small businesses, including those who were not qualified for grants under the State relief funds previously granted to Denver.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

<i>Contact person with knowledge of proposed ordinance/resolution</i>	<i>Contact person to present item at Mayor-Council and Council</i>
Name: Deborah Cameron 303-330-3599 (m)	Name: Susan Liehe 720-480-3481 (m)
Email: deborah.cameron@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable): Brian Martin

7. City Council District: Citywide

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$750K; IGA/Grant Agreement, Sale or Lease of Real Property):
Professional Services

Vendor/Contractor Name: Mile High United Way

Contract control number: OEDEV- 202158078-02

Location: 711 Park Avenue West
Denver, CO 80205

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?**

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$8,900,000	\$750,000	\$9,650,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
6/1/20 thru 12/31/20	12 months	Conclude 12/31/21

Scope of work: See Executive Summary for program elements.

Was this contractor selected by competitive process? If not, why not?

In an intentional effort to balance program integrity with the urgency of the COVID-19 crisis, DEDO is again drawing on the unique qualifications and infrastructure that Mile High United Way has demonstrated thus far for the city's Small Business Emergency Relief Fund (SBERF). DEDO desires to continue this existing platform to provide the emergency assistance and other small business support services as expeditiously as possible in response to the COVID-19 pandemic impacts.

Has this contractor provided these services to the City before? Yes No

Source of funds: local emergency relief funds

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

This contract amendment will employ the local emergency grant funds to continue economic relief to local businesses in response to COVID-19. These Coronavirus Relief Funds (CRF) were originally received by the Department of Finance from the Treasury Department in 2020, and \$4.75M of the CRF funds were originally designated to DEDO as part of the Nonprofit Emergency Relief Funds Grant Program (NPERF).

However, due to the lack of total eligible applications submitted under the NPERF grants program, there were not enough recipients to disburse the full \$4.75M. Therefore, \$750,000, a portion of the remaining NPERF funds, are being redirected toward additional rounds of SBERF programming, with approval for the redirection of funds coming from the Department of Finance leadership in March 2021.

SBERF Results to Date

After the city quickly mobilized in the spring to begin providing relief to pandemic-distressed local businesses, the Small Business Emergency Relief Fund (SBERF) program began providing more than \$12 million in grants in 2020 to more than 2,000 small businesses. From its onset, the program has been administered by Denver Economic Development & Opportunity (DEDO) and uses the Mile High United Way (MHUW) as a contracted partner. The \$12M awarded through SBERF in 2020 was a combination of local dollars, Federal Coronavirus Relief Funds (CRF), and corporate donations.

The SBERF program continues as the economic effects of the pandemic persist. As of February 19, 2021, DEDO had made grant awards thus far in 2021 to more than 700 small businesses for more than \$3 million. The grants in 2021 so far have been made possible by city funding as well as funds that Denver received from the State of Colorado in January as authorized under Senate Bill 20B-001. The addition of State funds did require that program criteria shift to accommodate the State legislation, which did not permit grants outside of defined industries. Applications for the initial 2021 round closed March 7 and the awards are ongoing.

This current contract amendment pertains to an additional \$750,000 in local funds that would continue to be granted through SBERF, again using Mile High United Way as a contracted partner. Given that these are local dollars, the limitations of the State funds would not be applicable, and SBERF can again award applicants in those impacted industries excluded from State funding. The multiple streams of funding sources combined into the proven SBERF portal allows the city to award applicants using the funds most directly available/applicable to them. The previously allocated city funds have been fully dispersed.

Due to substantial ongoing demand and the criteria change to accommodate the state requirements, DEDO already has received a strong pool of qualified applicants in 2021 who can now be awarded grants using this newest funding stream. DEDO will likely not solicit additional applicants until more federal dollars – anticipated as a result of the relief package currently being approved in Washington – are received.

SBERF Background

At its launch, the SBERF program was focused on businesses in industries most immediately impacted by the COVID pandemic, including retail (storefront), restaurant/food industry, personal care (example: barber shop, nail salon), healthcare and social assistance services (example: childcare and home health care providers), logistics, and small manufacturing.

The program's first applications were due March 31, 2020. Awards were based upon a combination of factors including program eligibility, program priorities, geographical disbursement and availability of funds. In 2020, eligible applicants were awarded a grant up to a maximum of \$7,500 not to exceed greater than 60% of their revenue loss. With the infusion of state funding to the 2021 program, grant amounts follow the state guidelines and amount to between \$3,500 - \$7,000 based on the annual revenue level of the grant recipient.

Under the 2021 program guided by Senate Bill 20B-001, guidelines include:

- Business is located in the City and County of Denver.
- Business headquarters must be located in Colorado and business must be doing business in Colorado.
- Business began operations on or before March 26, 2020.
- If business began operating before January 1, 2020, had annual receipts of less than \$2.5 million in annual revenue for calendar year 2019.
- If business began operating on or after January 1, 2020, and on or before March 26, 2020, had annual receipts of less than \$2.5million in annual revenue for calendar year 2020.
- Business has at least one full time employee (unless sole proprietorship).
- If business began operating prior to January 1, 2020, provide evidence of at least a 20% revenue loss since March 26, 2020, due to public health restrictions. This requirement does not apply to businesses starting on or after January 1, 2020 and on or before March 26, 2020.
- Be engaged in an "eligible industry category," as verified by its North American Industry Classification System ("NAICS") code.
- Be registered, current, and in good standing with the Colorado Secretary of State Office.
- Be current and in good standing with local, state, and applicable federal taxing and licensing authorities.
- Be engaged in activities that are legal under Colorado and federal law.
- Meet program technical requirements including ability to provide financial records.
- Certify intent to remain in operation for at least six months.
- Business has not applied for nor received any other relief payments from the arts relief program enacted by SB20B-001. Applicant is eligible to apply if Applicant received relief funds under the 2020 CARES Act, subject to any restrictions imposed by such federal relief funds, or city relief funding.

Given the limited resources available, SBERF further prioritizes applications based on considerations of the following factors:

- Percentage of revenue decline
- Number of employees
- Proposed use of financial assistance demonstrating efforts to remain open, retain employees on payroll, and implement new marketing strategies to adapt to COVID-19 conditions
- Businesses with annual revenues of \$1 million or less
- Businesses located in Denver's NEST neighborhoods, neighborhoods where businesses are displacement-vulnerable, and in Denver's Enterprise Zone
- Businesses experiencing rent instability and/or rent increases above the industry trends