



**Agenda Item D.2**  
**DISCUSSION/ACTION ITEM**  
**Meeting Date: July 7, 2020**

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**TO:** Mayor and Councilmembers

**FROM:** Vyto Adomaitis, Neighborhood Services and Public Safety Director

**CONTACT:** Jaime A. Valdez, Principal Project Manager  
Dominique Samario, Management Analyst

**SUBJECT:** COVID-19 Small Business Assistance Programs

**RECOMMENDATION:**

- A. Approve a Memorandum of Understanding between the City of Goleta and Women's Economic Ventures to fund the ReStart Loan Program and the Small Business Basic Loan Program; and
- B. Approve an appropriation of \$200,000 from the General Fund Unassigned Fund Balance to the Neighborhood Services Support to Other Agencies account, if no other sources of State or Federal COVID-19 relief funding are received, to fund small business loan programs; and
- C. Approve a Memorandum of Understanding between the City of Goleta and the Santa Barbara Foundation to fund the Santa Barbara Better Together Fund Small Business Grant Assistance Program; and
- D. Approve a one-time \$50,000 appropriation from the General Fund Unassigned Fund Balance to the Neighborhood Services Support to Other Agencies account, if no other sources of state or federal COVID-19 relief funding are received, to fund the Santa Barbara Foundation Santa Barbara Better Together Fund Small Business Grant Assistance Program.

**BACKGROUND:**

On March 17, 2020, the City Council adopted Resolution 20-18, which ratified the City Manager's Emergency Declaration and imposed attendant orders to close restaurants, gyms, movie theaters and the like; to prohibit the use of City play structures and exercise equipment in its parks; and to prohibit residential and commercial evictions based on nonpayment of rent due to loss of income from the COVID-19 pandemic.

On March 19, 2020, the Governor issued Executive Order 33-20, which ordered all residents to immediately heed current State public health directives to stay home, except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors that the State Public Health Officer may designate as critical to protect the health and well-being of all Californians.

Staff recognizes there are two components to the existing COVID-19 pandemic. The first is the actual event that is currently happening and causing enormous health impacts and impacts to almost every individual/household, business/organization. The second is the recovery effort that is taking place now. Over the course of the last month or so with measured steps in certain business sectors, many businesses have begun reopening following State and Santa Barbara County public health guidance. Staff is also aware of the unprecedented need for assistance for struggling businesses—particularly as the stay-at-home orders do not have a firm end date and the added on-going costs of reopening businesses continue.

The City Council has taken action to support local businesses, non-profits and individuals through this challenging time by enacting eviction and foreclosure moratoria for both residential and commercial properties, a deferral of Transient Occupancy Tax payments for hotels, and deferral of business license renewal fees for all Goleta businesses. However, as the impacts of the COVID-19 pandemic have become widely felt in Goleta, a majority of City Councilmembers expressed to the City Manager a desire to provide additional Goleta-specific assistance to businesses, nonprofits, and members of the community.

Staff researched and provided examples of how other cities have approached COVID-19 relief programs and identified options for the City Council's consideration that balance community needs with the City's own significant financial and staff resource constraints. Staff presented the research findings and examples at the May 19, 2020 City Council meeting.

Also, at the May 19, 2020 City Council meeting, Staff introduced a number of options to assist small businesses and nonprofits. The City Council approved \$132,676 from the City's Community Development Block Grant COVID-19 CARES Act funding for nonprofit and individual assistance programs via the Santa Barbara Foundation's and United Way of Santa Barbara County's COVID-19 Joint Response Effort. The decision to fund a small business assistance program was deferred until the FY 20-21 budget was adopted and City Council had a better picture of the City's finances.

The City Council also directed Staff to work with the Economic Development & Revitalization Standing Committee (Committee) to vet small business assistance programs from Women's Economic Ventures (WEV) and the Goleta Chamber of Commerce (Chamber) and provide a recommendation for City Council's consideration. Staff is now returning to the City Council for consideration of these programs that could become the initiation of an economic recovery effort for the Goleta community.

**DISCUSSION:**

On June 22, 2020, the Committee met to discuss proposals from WEV, the Chamber, and the Santa Barbara Foundation (Foundation). The Chamber shared that it would not seek funding for a stand-alone small business assistance program and instead was willing to partner with WEV and the Foundation and assist with outreach efforts. As such, the balance of this discussion is organized into two parts: (1) WEV’s ReStart Loan Program and (2) the Foundation’s Committee-Advised “Santa Barbara Better Together” Fund. In both cases, City funding assistance would be provided only to Goleta-based small businesses with a focus on reopening needs in order to comply with public health guidelines. Both programs would be managed by the Neighborhood Services and Public Safety Department, through partnerships with other organizations. The Committee recommended proceeding with WEV’s \$200,000 request for the ReStart Loan and Basic Loan programs as well as the Foundation’s \$50,000 request to support the Santa Barbara Foundation Santa Barbara Better Together Small Business Grant Assistance Program. The following provides additional detail about the recommended WEV and Foundation requests:

***Women’s Economic Ventures:***

WEV is a certified Community Development Financial Institution (CDFI) and a Small Business Administration (SBA) Microlender and has an existing Startup and Expansion Loan Program where start-ups can borrow between \$250 and \$25,000 and expanding businesses can borrow up to \$150,000. This program operates in a “normal” business environment and has been in operation prior to the current pandemic emergency.

In mid-April 2020, City staff reached out to WEV to learn more about their Quick Response Loan (QRL) Program in response to COVID-19. QRL was designed to assist businesses experiencing economic hardship (currently, as a result of COVID-19). In the past, it assisted businesses impacted by the Thomas Fire and subsequent debris flow with loans up to \$10,000. WEV’s QRL goal was to assist viable businesses (those that at least broke even last year) so that they could stay in business. This means providing funding when businesses are pursuing other money from various sources. Staff recommended funding the QRL program at the May 19, 2020 City Council meeting for that specific purpose and need.

Since then, much has changed in terms of types of funding needs for small businesses as some businesses have been able to access Federal government programs through the Small Business Administration’s Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL).

Moreover, certain parts of the economy have begun the reopening process here locally which comes with several new expenses and concerns for small businesses such as adhering to public health physical distancing and hygiene measures and practices.

As such, WEV has now shifted from emergency bridge loans (QRL) to the ReStart Loan Program to better respond to the needs of small businesses. The following table compares the previously presented QRL Program with the Restart Loan Program:

Loan Terms	ReStart Loan	Quick Response Loan	Difference
Amount of Loan	Up to \$25,000	Up to \$10,000	Higher loan allows more capacity to rebuild
Interest Rate	4.5%	4.5%	<b>NO DIFFERENCE</b>
Term of Loan	Up to 60 months	36 months	<ul style="list-style-type: none"> <li>Longer term makes loan more affordable; allows time to re-establish cash flow</li> <li>QRL Loans were anticipated to be bridge loans to longer term financing</li> </ul>
Payment Deferral Period	6 months interest only	3 months deferral	<ul style="list-style-type: none"> <li>QRL did not require business to be operating</li> <li>Restart made to businesses that are /will be reopening</li> </ul>
Fees	\$150 processing; 3 <sup>rd</sup> party fees paid by applicant	No fees	<ul style="list-style-type: none"> <li>QRL had minimal review of financial statements, only required break-even</li> <li>ReStart requires more underwriting, additional financial review to validate cash flow availability to cover payments</li> </ul>
Eligibility	No derogatory credit for past 12 months	No derogatory credit for past 12 months	<b>NO DIFFERENCE</b> (Note: in both loans if related to COVID exceptions may be made)
	Bank statements show no Overdraft or Insufficient Funds	Bank statements show no Overdraft or Insufficient Funds	<b>NO DIFFERENCE</b> (Note: in both loans if related to COVID exceptions may be made)
	Applicants must own and control 51% of business	Applicants must own and control 51% of business	<b>NO DIFFERENCE</b>
	Have resided in Goleta/done business in Goleta for one year	Have resided in Goleta/done business in Goleta for one year	<b>NO DIFFERENCE</b>
	Citizen, legal resident, ITIN	Citizen, legal resident, ITIN	ITIN limited to \$10,000 loan
	Demonstrate COVID impact	Demonstrate COVID impact	<b>NO DIFFERENCE</b>
	Use funds for re-opening	Use funds to assure sustainability	<b>SIMILAR INTENT</b>
Estimated Relative Default Comparison	1x	2-3x	QRL is intended as a stopgap measure that would likely have a default rate 2 to 3 times higher than what is estimated with RSL

WEV ultimately wants its borrowers to be well or over capitalized rather than undercapitalized. WEV advisors help businesses with their cashflow management and provide guidance on funding their operations and repaying debts. This is also reflected in the ReStart Loan’s longer loan term and higher loan amount limit which makes the loan more affordable and provides more time to re-establish cash flow and provides more capacity to rebuild/reopen the business.

WEV’s ReStart Loans and Basic Startup and Expansion Loans seek to provide funding to Small Businesses in both an emergency (such as COVID-19) and as a potentially continued source of funding to start or expand a small business. Should the City Council desire to move forward in a partnership with WEV, the attached Draft Memorandum of Understanding (MOU, Attachment 1) between the City and WEV serves to establish a framework of cooperation and agreement to provide City grant funded ReStart Loans to Goleta-based businesses immediately in response to the COVID-19 pandemic and, following this crisis, potentially to these businesses and others through the Basic Startup and Expansion Loans.

WEV’s ReStart Loan Program charges a nominal \$150 processing fee, due to added underwriting and financial review to determine ability to repay. WEV charges an origination fee based on the size of the loan for the Startup and Expansion Loan Program as described in Exhibit A of the Draft MOU.

As money cycles back into the fund through loan repayment, WEV will continue to use the grant to make new loans to Goleta-based businesses through its ReStart Loan

program or Basic Loan program. It is not to be used for any other purpose. The grant award, minus any loan losses, is intended to continue in perpetuity, or until the funding is exhausted. WEV favors this approach for the fact that the funds will always serve to benefit the Goleta small business community.

However, if the City Council is uncomfortable with the approach of having its \$200,000 circulating in the small business community in perpetuity, it may require WEV to return any grant funds not disbursed and transfer any loan payments to the City as they are made. A termination provision currently exists in the proposed agreement that would allow the City to terminate the arrangement in the short term (i.e.: if the relationship with WEV did not work out) and in the long term (i.e.: if the City decided that the funds should be devoted to another public policy purpose).

WEV prefers the \$200,000 in the form of a grant so that it can have certainty that the funds will be in circulation in perpetuity. WEV also prefers that the agreement not include the termination provision. This option would eliminate the City's flexibility in ending the program and recovering the \$200,000, or any portion thereof, in the future. If the City Council determines that once grant funds are made available to WEV, it does not expect to see the funds returned, Council can direct staff to remove the termination provision before the agreement is executed.

WEV will also be providing financial reporting to the City on an annual basis, or more frequently as the City requests. WEV will provide an annual summary to include number of loans made, types of businesses supported, and other standard metrics. The City of Goleta, at its sole discretion, may forgive all outstanding loan balances made with its grant. Loans will be made using the eligibility criteria and terms outlined in Exhibit A of the Draft MOU. In summary, the ReStart Loan is a 60-month loan with a limit of up to \$25,000 per loan. The Basic Startup and Expansion Loan program is more flexible in terms of structure (1-10 years) with loans up to \$25,000 for startups and \$150,000 for expanding businesses.

If the City Council chooses to fund the small business assistance portion of the WEV COVID-19 Relief Program, Staff propose appropriating \$200,000 from the General Fund Unassigned Fund Balance in the form of a grant, unless state or federal COVID-19 relief funds become available and are eligible for this purpose. Given the City's financial constraints and reserve funds available, staff has determined that this amount is appropriate at this time. Future funding may be available once more information is known or if the City is provided other available funding.

***Santa Barbara Foundation to fund the Santa Barbara Better Together Small Business Grant Assistance Program:***

In addition to the business loan program options that staff researched, City staff received materials from the Santa Barbara Foundation for a grant program for small business assistance. The Santa Barbara Foundation has a Committee-Advised Fund, Santa Barbara Better Together, with the primary purpose of providing financial assistance for the small local business community where there are gaps in federal and foundation funding during the COVID-19 pandemic in Santa Barbara County.

While the Foundation has yet to partner with regional jurisdictions on this program, a model of successful partnership has been developed in other areas of the country where foundation support funds, such as the Santa Barbara Better Together Fund, partner with local agencies to provide a matching grant to support local businesses. The goals of this partnership are to help the limited funds available go farther and allow a local agency to support businesses with a greater impact than they would without the partnership. Outreach will be comprehensive with targeted outreach to minority-held businesses and those in minority or underserved/underinvested neighborhoods.

The Foundation contacted City staff to propose the following partnership on a small business grant assistance program:

- Requested a total of \$50,000 from the City of Goleta for the Santa Barbara Better Together Fund, which the Fund would match, creating an overall small business grant program of \$100,000 for Goleta businesses.
- Grants funded through this partnership would go towards small businesses (with 25 employees or fewer) located in the City of Goleta.
- Grant funds could be used for expenses related to reopening of businesses under public health guidelines. Examples of qualifying uses include, but are not limited to, personal protective equipment (PPE), signage, and small capital items (i.e., outdoor seating accommodations, plexiglass separators).
- All grants would be approved by the Santa Barbara Better Together Fund Committee.
- Each grant could be up to \$10,000.
- The assistance grants would not be repaid by businesses.

Further details of the Foundation's proposed grant assistance program are included in Attachment 2, a draft MOU between the City of Goleta and the Santa Barbara Foundation.

**FISCAL IMPACTS:**

As described above, Staff are recommending a total of \$250,000 to fund the COVID-19 Small Business Assistance Program, in which \$200,000 would be awarded to WEV as a grant for their ReStart Loan Program and Basic Startup and Expansion Loans Program and \$50,000 awarded to the Santa Barbara Foundation for the Better Together Small Business Grant Assistance Program. These recommended amounts were based on projected funding needs and discussions with community funding facilitators on need and types of assistance. The FY 2020/21 Mid-Cycle Budget did not include funding for this program. The following table summarizes the recommended appropriations:

<b>Small Business Assistance Funding</b>				
<b>Fund Type</b>	<b>Account</b>	<b>FY 20/21 Current Budget</b>	<b>Additional Appropriation Requested</b>	<b>FY 20/21 Adjusted Budget</b>
General Fund	101-60-6100-54012	\$0	\$200,000	\$200,000
General Fund	101-60-6100-54012	\$0	\$50,000	\$50,000
<b>Total</b>			<b>\$250,000</b>	<b>\$250,000</b>

The total appropriation of \$250,000 is recommended to be supported from the General Fund's Unassigned Fund Balance for one-time use of approximately \$5.5 million, unless state or federal COVID-19 relief funds are disbursed to the City for such use.

**ALTERNATIVES:**

The City is under no obligation to partner with WEV or the Foundation to provide funding for the proposed small business assistance programs at the above levels or at any level. The City Council could choose not to fund either all or part of the recommended amounts as they see fit.


**Reviewed By:**

**Legal Review By:**

**Approved By:**

  
 Kristine Schmidt  
 Assistant City Manager

  
 Michael Jenkins  
 City Attorney

  
 Michelle Greene  
 City Manager

**ATTACHMENTS:**

1. Draft Memorandum of Understanding between Women's Economic Ventures and the City of Goleta
2. Draft Memorandum of Understanding between the Santa Barbara Foundation and the City of Goleta

**ATTACHMENT 1:**

Draft Memorandum of Understanding between Women's Economic Ventures and the City of Goleta





## MEMORANDUM OF UNDERSTANDING

between

the City of Goleta

and

Women's Economic Ventures (WEV)

### 1. Purpose

This document serves to establish a framework of cooperation and agreement between the aforementioned parties as it pertains to a partnership to provide ReStart Loans to Goleta-based businesses in response to the COVID-19 pandemic.

### 2. Primary Contacts

	City of Goleta	WEV
NAME	Jaime Valdez, Principal Project Manager	Kathy Odell, CEO
ADDRESS	130 Cremona Drive, Goleta, CA 93117	333 S. Salinas St., Santa Barbara, CA 93103
PHONE	(805) 961-7500	805-965-6073
E-MAIL	jvaldez@cityofgoleta.org	kodell@wevonline.org

### 3. Agreements

- A. All parties agree that the City of Goleta will provide a grant in the amount of \$200,000 to Women's Economic Ventures for use in its ReStart Loan (RSL) Program.
- B. All parties agree to exclude any liability to the City of Goleta except for the amount of the grant. WEV indemnifies and holds City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising out of this Agreement, or its performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, WEV will defend City (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.
- C. All parties agree that this grant award minus any loan losses is intended to continue in perpetuity. As money cycles back into the fund, WEV will continue to use the grant to make new loans to Goleta-based businesses through its RSL or Basic Loan program. It is not to be utilized for any other purpose.
- D. All parties agree that loans will be made using the eligibility criteria and terms outlined in Exhibit A below.
- E. All parties agree that WEV will provide an annual summary to include number of loans made, types of businesses supported, and other standard metrics.
- F. All parties agree that, at its discretion, the City of Goleta may forgive all outstanding loan balances made with this grant.

### 4. Termination

Within 90 days' notice, the City may terminate this Agreement without cause, at which time, WEV will transfer any grant funds not disbursed back to the City and loan repayments on outstanding loans made using City grant funds to the City as they are received.

### 5. Modification

Modifications to the scope of this partnership shall be made by mutual consent of the parties, the issuance of a written modification, signed and dated by all parties, and approved by the City of Goleta prior to any changes being performed.



6. Conflict of Interest

Any real or perceived conflicts of interest must be disclosed to the City of Goleta, including any City staff serving as paid staff or board of directors for Women's Economic Ventures.

7. Non-Assignability

The services to be rendered by WEV pursuant to this Agreement are considered to be unique, personal services, and WEV may not assign, delegate, subcontract, transfer, or otherwise substitute its interest or obligations in this Agreement without prior written consent of City. Any attempt by WEV to assign any performance of the terms of this Agreement is null and void and shall constitute a material breach of this Agreement.

8. Insurance

Before commencing performance under this Agreement, and at all other times this Agreement is effective, WEV will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	\$1,000,000

9. Signatures

By signing below, the aforementioned parties agree to the terms of this memorandum of understanding.

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Michelle Greene, City Manager, City of Goleta

DATE

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Kathy Odell, CEO Women's Economic Ventures

DATE



## **Exhibit A**

### **Loan Program Criteria and Terms for City of Goleta**

#### **ReStart Loan Program**

**Up to \$25,000**

##### **Eligibility Criteria**

- Businesses that are based in the City of Goleta
- No derogatory credit reporting for the past twelve months (if related to COVID-19 crisis, exceptions may be made)
- Historical ability of business to pay existing and requested debt must be demonstrated and will be validated by either tax returns or profit and loss statements
- Most recent bank statements verifying no presence of Overdraft or Insufficient Funds activity (if related to the COVID-19 crisis, exceptions may be made)
- Applicant(s) must own and control at least 51% of the business
- All owners of 20% or more of the business must provide personal guaranty
- Have resided within Santa Barbara County or Ventura County for at least one year
- Be a U.S. citizen or legal permanent resident, or have an ITIN (NOTE: applicants possessing an ITIN are eligible for loan amounts up to \$10,000)
- Must demonstrate COVID-19 financial impact
- Funds must be used for costs associated with re-opening/re-establishing business as a result of COVID-19 closure or significant detriment.

##### **Terms**

- Up to \$25,000
- 4.50% fixed interest rate
- Up to 60-month repayment
- \$150 processing fee; 3rd party costs paid by applicant
- Interest only payments for the first six payment cycles

#### **Basic Loan Program**

**up to \$25,000 for startups (< 12 months in business) and \$150,000 for expansions**

##### **Eligibility Criteria**

- Businesses that are starting or expanding operations in the City of Goleta
- Own and control at least 51% of their business
- Provide guarantees of any 20% or greater owner of the business
- Reside at least one year within the targeted area or underserved adjacent area prior to applying and be a legal U.S. resident\*
- Be able to show that the loan can be repaid with business and/or personal income, accounts receivable or another source of income and that the need for capital is not a result of some crisis which the loan is unlikely to resolve
- Provide satisfactory secondary sources of repayment if repayment of the loan is based solely on projected business income
- Be of legal age to enter into a contract

\* Borrowers with ITINs are eligible to apply for loans \$10,000 and under.

##### **Terms**

Term of one to five (1-5) years, no more than seven to ten (7-10) years, depending upon the size of the loan and the use of funds (i.e. the useful life of the asset(s) financed and/or held as collateral).



**Interest Rates and Fees**

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Loan Amount</b>	Up to \$5,000	Over \$5,000 and up to \$50,000	Over \$50,000
<b>Interest Rate</b>	10.00%	9.00%	8.00%
<b>Origination Fee</b>	3.0%	2.50%	2.0%

**ATTACHMENT 2:**

Draft Memorandum of Understanding between the Santa Barbara Foundation and the City of Goleta



**MEMORANDUM OF UNDERSTANDING**

between

City of Goleta  
and  
Santa Barbara Foundation

**1. Purpose**

This document serves to establish a framework of cooperation and agreement between the aforementioned parties as it pertains to a partnership to provide Santa Barbara Better Together Fund grants to Goleta-based businesses in response to the COVID-19 pandemic.

**2. Primary Contacts**

	City of Goleta	Santa Barbara Foundation
NAME	Dominique Samario	Jackie Carrera, President & CEO
ADDRESS	130 Cremona Drive, Goleta, CA 93117	1111 Chapala St. #200, Santa Barbara, CA 93101
PHONE	(805) 690-5126	805-880-9360
E-MAIL	dsamario@cityofgoleta.org	jcarrera@sbfoundation.org

**3. Agreements**

- A. All parties agree that the City of Goleta (CITY) will provide a grant in the amount of \$50,000 to the Santa Barbara Foundation (FOUNDATION) for use in its Santa Barbara Better Together Fund grant program for Goleta businesses.
- B. All parties agree that the Santa Barbara Better Together Fund will provide matching grant funds in the amount of \$50,000 for use in its Santa Barbara Better Together Fund grant program for Goleta businesses.
- C. All parties agree to exclude any liability to CITY except for the amount of the grant. The FOUNDATION indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising out of this Agreement, or its performance. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, FOUNDATION will defend CITY (at CITY’s request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.
- D. All parties agree that grants will be made using the eligibility criteria and terms outlined in Exhibit A below.
- E. All parties agree that FOUNDATION will provide an annual summary to include number of grants made, types of businesses supported, and other standard metrics.

**4. Termination**

Within 90 days’ notice, the CITY may terminate this Agreement without cause, at which time, FOUNDATION will transfer any grant funds not disbursed back to CITY.

**5. Modification**

Modifications to the scope of this partnership shall be made by mutual consent of the parties, the issuance of a written modification, signed and dated by all parties, and approved by CITY prior to any changes being performed.

**6. Conflict of Interest**



Any real or perceived conflicts of interest must be disclosed to CITY, including any City staff serving as paid staff or board of directors for FOUNDATION.

7. Non-Assignability

The services to be rendered by FOUNDATION pursuant to this Agreement are considered to be unique, personal services, and FOUNDATION may not assign, delegate, subcontract, transfer, or otherwise substitute its interest or obligations in this Agreement without prior written consent of CITY. Any attempt by FOUNDATION to assign any performance of the terms of this Agreement is null and void and shall constitute a material breach of this Agreement.

8. Insurance

Before commencing performance under this Agreement, and at all other times this Agreement is effective, FOUNDATION will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	\$1,000,000

9. Signatures

By signing below, the aforementioned parties agree to the terms of this memorandum of understanding.

---

Michelle Greene, City Manager, City of Goleta

DATE

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Jackie Carrera, President & CEO, Santa Barbara Foundation

DATE



## Exhibit A

### **Santa Barbara Better Together Fund Small Business Grant Program Criteria Terms for City of Goleta and Santa Barbara Foundation**

#### **Description**

The Santa Barbara Better Together (SBBT), a Committee-Advised Fund at the Santa Barbara Foundation, provides financial assistance grants to the small local business community specifically to support basic needs of these businesses to enable them to continue operations in the short term while they are suffering from the effects of COVID-19 and where there are gaps in federal and foundation funding during the COVID-19 pandemic in Santa Barbara County. Providing support to these businesses will combat community deterioration and benefit the entire community. The Santa Barbara Better Together Committee Advised Fund is made up of Deckers representatives, Santa Barbara Foundation representatives, and local experts. All distribution of funds are voted on by the committee members.

Santa Barbara Better Together Fund provided its first grant in the amount of \$125,000 to Women's Economic Ventures (WEV) for financial support to the small local business community in Santa Barbara County through WEV's Quick Response Loan program. The next step for Santa Barbara Better Together Fund is provide grants directly to small local businesses in the community. The Fund Committee will partner with local municipalities to establish a matching program for small businesses in their geographic jurisdiction.

The City of Goleta and Santa Barbara Foundation partnership will support grants from the Santa Barbara Better Together Fund to small Goleta businesses as they reopen and adapt to operating under proper public health guidelines due to COVID-19. Outreach will be comprehensive with targeted outreach to minority-held businesses and those in minority or underserved/underinvested neighborhoods.

#### **Santa Barbara Better Together Fund Small Business Grant Limits**

- Up to \$10,000 per grant

#### **Eligibility Criteria**

- In order to qualify for the SBBT Small Business Grant Program, businesses must meet the following criteria:
- Based in the city of Goleta in operation in Santa Barbara County prior to January 1, 2019.
- Gross total sales declined by at least 25% as a result of COVID-19 in March - May 2020, when compared to March - May 2019.
- No more than 25 employees as of March 1, 2020.
- No more than \$3 million in gross total sales between January 1, 2019 and December 31, 2019.
- Ability to provide documentation to verify the economic hardship suffered as a result of the COVID-19 crisis, including tax returns, financial statements, and other financial data.
- Show best effort to reopen and resume business operations.

#### **Terms**

- The grant period is one year. A report will be due 30 days after the end of the one-year grant period.

#### **Eligible Grant Uses**

- Items necessary to operate safely under current public health guidelines including but not limited to signage, personal protective equipment, items to accommodate outdoor seating or service.
- Rent and utilities may be considered if need is related lost income due to the pandemic.