

Monterey County Small Business Relief Program

Request for Additional Funds by the
Monterey County Workforce Development Board for the
Small Business Relief Program

Presentation to the Monterey County Board of Supervisors
February 9, 2021

REQUEST FOR ADDITIONAL FUNDING

The Monterey County Workforce Development Board:

- ▶ Requests an additional **\$900,000** from the Cannabis Tax Assignment funds or other funds identified by the Board of Supervisors for small business grants for Round III funding. Amend the FY2020-21 County Administrative Office Adopted Budget (021-1050-8478
- ▶ -CA0030) to increase appropriations by \$900,000 for the Monterey County Small Business Relief Program (administered by the Monterey County Workforce Development Board), financed by a release of Cannabis Tax Assignment funds (001-3132) or other funds identified by the Board (4/5th vote required);
 - ▶ Grants would be issued to small businesses directly affected by COVID-19.
 - ▶ Minimum of **90** eligible business will receive grants up to \$10,000.

IMPACT TO MONTEREY COUNTY BUSINESSES

Many Monterey County businesses are at high risk of shutting down.

- ▶ The unemployment rate for Monterey County increased from 7.7% in November to 11.4% in December, as a result of the shelter-in-place order.
- ▶ Between January and December 2020, California experienced a 33.9% decrease in total small business revenue. *
- ▶ During that same period, Monterey County's small businesses suffered a 64.6% decrease in total revenue due to shelter-in-place orders, business closures, and wildfires, with a nearly
- ▶ 47% decrease in the number of small businesses that were open as of December 31, 2020, as compared to a statewide decrease of nearly 37%. *
- ▶ 27.2% fewer individuals employed in Leisure and Hospitality sector as of November 15, 2020 compared to January 2020 *

* Opportunity Insight

MONTEREY COUNTY BUSINESS HIGHLIGHTS

In Monterey County, there are:

- ▶ Over 18,600 small businesses with 50 or fewer employees. *
 - ▶ 968 eating and/or drinking establishments
 - ▶ 60 wineries / breweries
 - ▶ 323 hotels
 - ▶ 2,159 retail stores

* Duns and Bradstreet

ROUND 1 SUMMARY

The Monterey County Workforce Development Board distributed grants to 129 small businesses in Round 1.

- ▶ \$1,268,000 allocated in Fall 2020.
- ▶ Applications open November 2-15, 2020.
- ▶ 152 businesses applied.
- ▶ **\$1,148,994** issued to **129** small businesses in December 2020.
- ▶ Administrative costs totaled \$99,506.
- ▶ 23 businesses ineligible, applied late, failed to submit required documentation, or withdrew their application.
- ▶ Remaining grant and administrative funds rolled over into Round 2 in February 2021.

ROUND 1 SUMMARY (continued)

Application Submission by District:

DISTRICT NO.	# APPLICATIONS	PERCENTAGE
1	29	19%
2	3	2%
3	34	22%
4	10	7%
5	76	50%

ROUND 2 OVERVIEW

The Monterey County Workforce Development Board started Round 2 on February 8, 2021.

- ▶ Applications open February 8-22, 2021.
- ▶ **\$825,000** will be distributed to a minimum of **83** businesses.
- ▶ General Eligibility Criteria:
 - ▶ Owned and operated in Monterey County
 - ▶ Open prior to October 1, 2020
- ▶ Priority industry sector is Hospitality / Tourism, including accommodations and food services.
- ▶ Grants are on a reimbursement basis, with eligible expenses retroactive to July 1, 2020.

ROUND 2 TIMELINE

Week of:

- ▶ 1/25 - Outreach to business community and other partners
- ▶ 2/1 - Informational webinars
- ▶ 2/8 - Begin accepting applications
- ▶ 2/22 - Last day to submit applications
- ▶ 3/12 - Last day to review applications
- ▶ 3/15 - Begin payment processing
- ▶ 4/16 - Final closeout

▶ Any Questions ?