

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE:

August 15, 2023

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: Mirella Tamayo Craigo 915.212.1617
Elizabeth Triggs 915.212.0094

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: 1. Cultivate an Environment Conducive to Strong, Economic Development

SUBGOAL: 1.1 Stabilize and expand El Paso's tax base

SUBJECT:

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what?
Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

Discussion and Action That the City Manager be authorized to sign a First Amendment to that certain Subrecipient Agreement ("Agreement") for the establishment and administration of the City of El Paso Small Business Grant and Interest Buy-Down Program by and between City of El Paso, a Municipal Corporation organized and existing under the laws of the State of Texas (the "City"), and LiftFund Inc., a Texas non-profit organization ("LiftFund"; "Sub-Recipient"; or "Contractor") increasing the Funding Amount by \$605,000 to a total of \$3,105,000.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion stimulus bill passed by the US Congress and signed by President Joe Biden in March of 2021. The bill was a response to the COVID-19 Pandemic and sought to speed the United States' recovery by addressing both the health and economic impacts of the pandemic. The City of El Paso received \$154,365,135 from the ARPA bill and on May 14, 2022, City Council approved the allocation of \$14M to small business recovery and relief.

LiftFund, a community development financial institution (CDFI), will continue administering two programs:

1. Cash grants of up to \$10,000 to eligible businesses for working capital.
2. \$100,000 fund to buy-down the interest rate to 2% on loans up to \$100k.

On January 31, 2023, LiftFund engaged in an ARPA subrecipient agreement, securing \$2,500,000 in funding. Within this allocation, \$2,150,000 was specifically earmarked for cash grants. The intended recipients were 215 small businesses identified as eligible for this assistance. Business that didn't receive CARES Act funding were prioritized. However, the demand for support exceeded expectations, resulting in 55 businesses being placed on a waiting list. To address this situation and ensure that these businesses receive the help they need, LiftFund will need an additional \$605,000 in funding. With this supplementary amount, LiftFund will be able to extend support to all the businesses on the waiting list, bringing the total number of assisted small businesses through ARPA funding to 270. The allocation is essential for enabling businesses to sustain their operations and effectively manage the challenges posed by inflation, shrinking profit margins, and workforce shortages.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

On January 31, 2023, City Council approved the allocation of \$2.5M to LiftFund via an ARPA Subrecipient Agreement.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Revised 04/09/2021

ARPA Funding

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? ☒ YES ☐ NO

PRIMARY DEPARTMENT:

SECONDARY DEPARTMENT:

*****REQUIRED AUTHORIZATION*****



DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a First Amendment to that certain Subrecipient Agreement (“Agreement”) for the establishment and administration of the City of El Paso Small Business Grant and Interest Buy-Down Program by and between City of El Paso, a Municipal Corporation organized and existing under the laws of the State of Texas (the “City”), and LiftFund Inc., a Texas non-profit organization (“LiftFund”; “Sub-Recipient”; or “Contractor”) increasing the Funding Amount by \$605,000 to a total of \$3,105,000.

APPROVED this _____ day of _____, 20__.

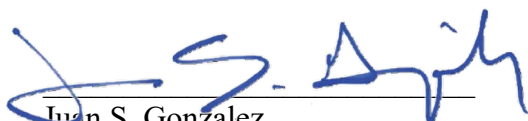
CITY OF EL PASO:

Oscar Leaser
Mayor

ATTEST:


Laura Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth Triggs, Director
Economic and International Department

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

**FIRST AMENDMENT
TO A SUB-RECIPIENT AGREEMENT
[ARPA-Economic Impacts]**

This First Amendment to that certain Subrecipient Agreement (“Agreement”) for the establishment and administration of the City of El Paso Small Business Grant and Interest Buy-Down Program is made this ____ day of _____, 20____, by and between the City of El Paso, a Municipal Corporation organized and existing under the laws of the State of Texas (the “City”), and LiftFund Inc., a Texas non-profit organization (“LiftFund”; “Sub-Recipient”; or “Contractor”).

WHEREAS, on January 31, 2023, the City Council for the City of El Paso approved entering into a Subrecipient Agreement with LiftFund to institute the City of El Paso Small Business Grant & Interest Buy-Down Program to entities affected by the COVID-19 pandemic;

WHEREAS, the parties desire to amend the funding amount, increasing it by \$605,000 all other terms will remain the same.

WHEREAS, the Agreement may be amended under the provisions of section 7.13 of the Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth in this First Amendment and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The 1st sentence of Section 3.1 PAYMENT TO SUB-RECIPIENT. is revised to read as follows:

The CITY shall pay to the Sub-Recipient an amount not to exceed \$3,105,000 for all services and reimbursable preformed pursuant to this Agreement.

2. Except as amended herein, the Agreement between the City and Applicant shall remain in full force and effect.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

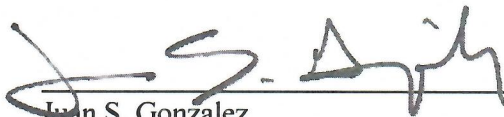
IN WITNESS WHEREOF, the parties have hereunto set their hands this
_____ day of _____, 20__.

CITY

THE CITY OF EL PASO:

Cary Westin
Interim City Manger

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth Triggs, Director
Economic and International Development

SUB-RECIPIENT:

LIFTFUND INC., a Texas non-profit
organization

By: 

25FE85B75D204A0...

Name: Nelly Rojas-Moreno

Title: Chief Operating & Financial Officer

ATTACHMENT A

AMENDED TIMELINE

Program Timeline	
February 1, 2023	Eligibility criteria finalized and contract signed
February 1- March 10, 2023	Build online application and website.
March 6- March 31, 2023	Program promotion: public virtual info session, social media, ebcasts, press release, community outreach by City contractors
March 13 – May 31, 2023	Application Open Period (or until funds exhausted)
March 31, 2023	First applicant Analysis Report submitted to City. Weekly pipeline reports submitted until program concludes.
April 3 – June 30, 2023	Application Review, doc collection
July 3 – September 8, 2023	Award notification via DocuSign
July 24 – September 15, 2023	Funding disbursement to awardees
September 22, 2023	Final Grants Award Analysis Report due to EDD
July 2024	Follow up survey to recipients + results reported to City

ATTACHMENT B

AMENDED BUDGET

Budget @ \$2,500,000 @ 10% admin fee	Associated Cost
Personnel & Benefits	\$211,600
Website, Application, Direct Costs, Promotional Efforts, Translation, Other Contractual	\$70,750
Program Support	\$22,650
Interest Buy Down Program	\$100,000
Grants Allocation	\$2,700,000
Total Program Cost	\$3,105,000