



City of Boulder

ARPA-funded Small Business Grant Programs Report

Economic Vitality | City Manager's Office | March 2023

Background

To help address lingering impacts of the COVID-19 pandemic and speed economic recovery, the City of Boulder dedicated a portion of its American Rescue Plan Act (ARPA) funding to provide one-time grants for local small businesses, including women- and minority-owned businesses negatively impacted by the pandemic.

The city launched two grant programs in June 2022, the Boulder ARPA Small Business Grant and the Boulder ARPA Child Care Business Grant, to support inclusive economic recovery. Both programs awarded grants of \$1,000, \$2,500 or \$5,000 to small businesses located in the city of Boulder through a competitive application process that considered financial need, adaptation to changing business conditions, planned use of grant funds and other factors.

Boulder ARPA Small Business Grant

The **Boulder ARPA Small Business Grant**, administered by Colorado Enterprise Fund (CEF), a nonprofit community financial institution, was designed to provide up to \$400,000 in grants to small businesses located in the city of Boulder. Including administration fees, the total budget for the program was \$425,000.

Eligibility Criteria and Allowed Grant Uses

To be eligible for the Boulder ARPA Small Business Grant, businesses were required to meet the following criteria:

- Privately held small business headquartered in the city of Boulder
- Physical (brick-and-mortar) presence within Boulder city limits
- Established before January 1, 2020
- 2 to 49 full-time equivalent employees (sole proprietors not eligible)
- Active City of Boulder business license (or applied for license)
- Current on city utility and tax accounts or be on a payment plan with the city

Nonprofits, sole proprietors and medical or recreational marijuana businesses were not eligible for the grants due to limited funding and other factors. Childcare businesses were encouraged to apply for the city's ARPA Child Care Business Grant.

Grant funding could be used to assist with business-related costs incurred due to the pandemic such as rent, mortgage or utility payments; employee payroll; accounts payable and other fixed debt costs; and personal protection equipment (PPE). Under ARPA, the federal funds may only be used to cover costs that are necessary economic recovery expenditures incurred due to the COVID-19 public health emergency incurred no earlier than March 1, 2020.

Grant Promotion, Application and Review Process

Information about the ARPA Small Business Grant was shared with the community and potential applicants through the following:

- [News release](#) issued by the City of Boulder and CEF
- Articles in the *Daily Camera* and *BizWest*
- City of Boulder and CEF websites and social media
- Websites and newsletters of the city's economic vitality partners including the Boulder Chamber, Boulder Small Business Development Center (SBDC), Downtown Boulder Partnership and The Latino Chamber of Commerce of Boulder County
- Email in English and Spanish to 3,950 city business license holders (excluding nonprofits and marijuana businesses)

An online application, available in English and Spanish, was available on the CEF website between June 6 and June 20, 2022.

CEF worked with city finance department staff to confirm the business license and tax status of eligible applicants. In addition, applications that did not meet eligibility requirements on the online application were manually reviewed to determine whether there were any that may have been incorrectly identified as ineligible. Several were found to be potentially eligible and were reviewed with other eligible applications.

Applications confirmed to be eligible (or provisionally eligible pending resolution of a license or tax issue) received a system-generated score based on answers to quantitative questions and reviewed by a committee of community members who made recommendations for grant awards. All complete applications submitted to CEF and confirmed to be eligible were evaluated based on a scoring model that considered financial and other information provided by applicants including:

- Impact of and adaptation to the COVID-19 pandemic
- Financial need
- Adaptation to changing business conditions
- Planned use of funds
- Other factors

Grant awards were determined using both quantitative and qualitative information from applications including:

- Automated scoring of business characteristics, impact and adaptation, and financial viability; and
- Review by a committee of representatives from nonprofit organizations that serve small businesses who also considered applicant responses to open-ended questions about how the pandemic had impacted their business, measures taken to mitigate that impact, and how any grant award might be used to help the business recover.

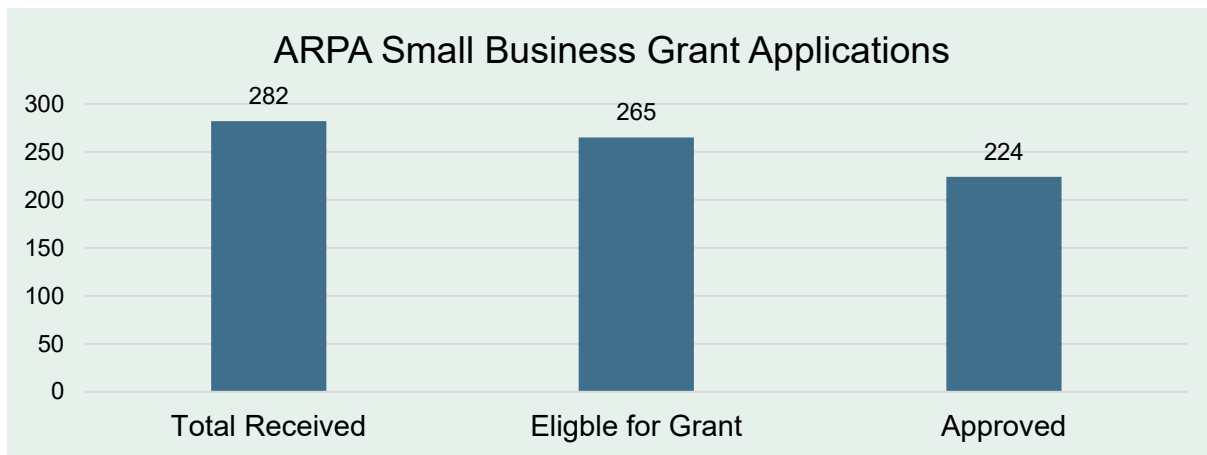
Applications representing industries and communities more impacted by the pandemic, including women- and minority-owned businesses received additional consideration.

An email announcing the grants was sent to business license holders located in the city of Boulder on June 3, and online applications were open between June 6 and June 20. The application review process and award decisions were made by mid-July. Email notifications were sent on July 21 to applicants approved, provisionally approved, or not approved for a grant. Grant payments were made electronically, and most were made in late July after grant awardees provided their banking information and other documents. Some grant payments were delayed for up to a month to allow for additional time needed to resolve outstanding tax or licensing issues or submit required documents.

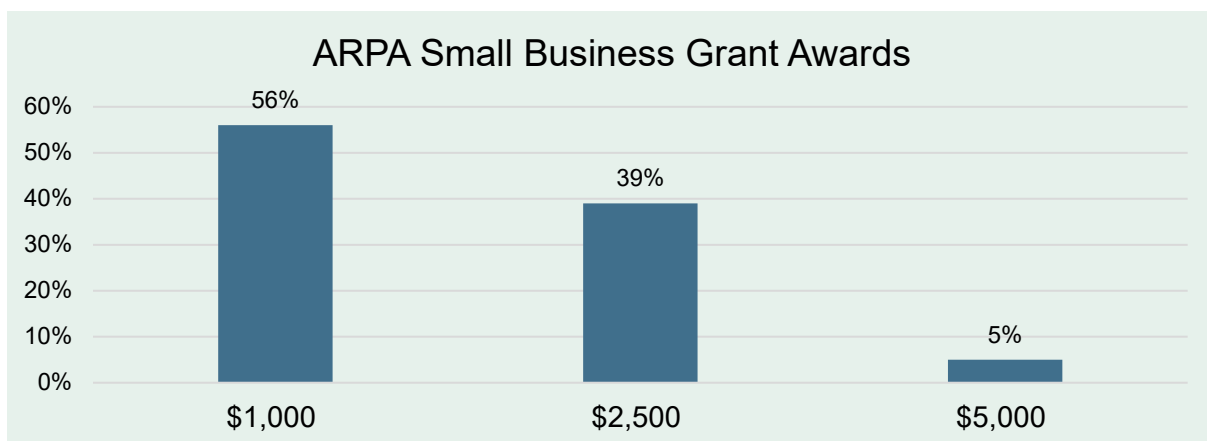
Grant Awards

While the number of eligible applications exceeded available funds, 85% of eligible applicants received a grant award of \$1,000, \$2,500 or \$5,000.

Of the 282 ARPA Small Business Grant applications completed and submitted for consideration, 265 were found to be eligible for the grant. Of the eligible applications received, 224 or 85% were approved for grants totaling \$400,000, the amount budgeted for grant awards.

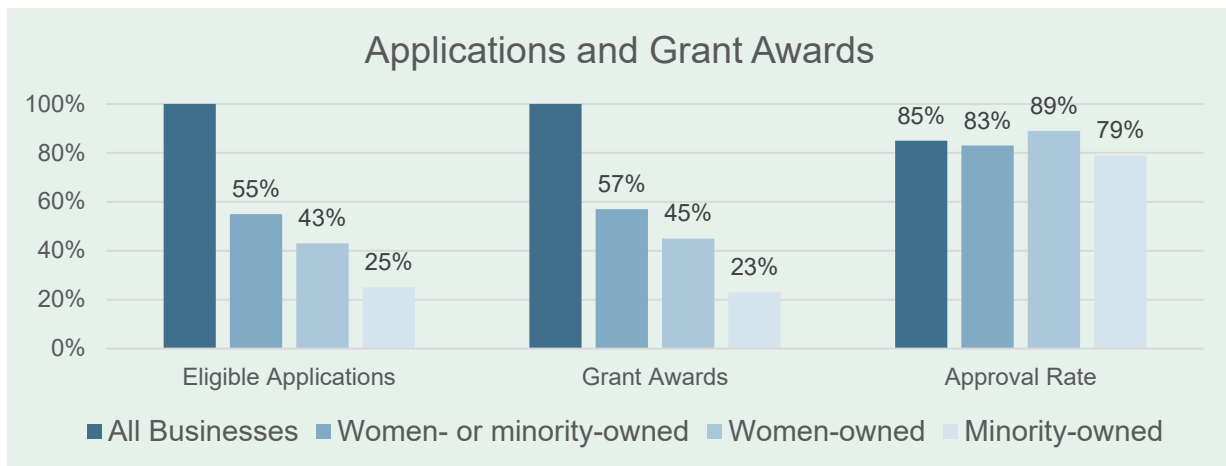


Over half (56%) of the grants awarded were for \$1,000, 39% of the awards were for \$2,500 grants and 5% were for \$5,000 grants.

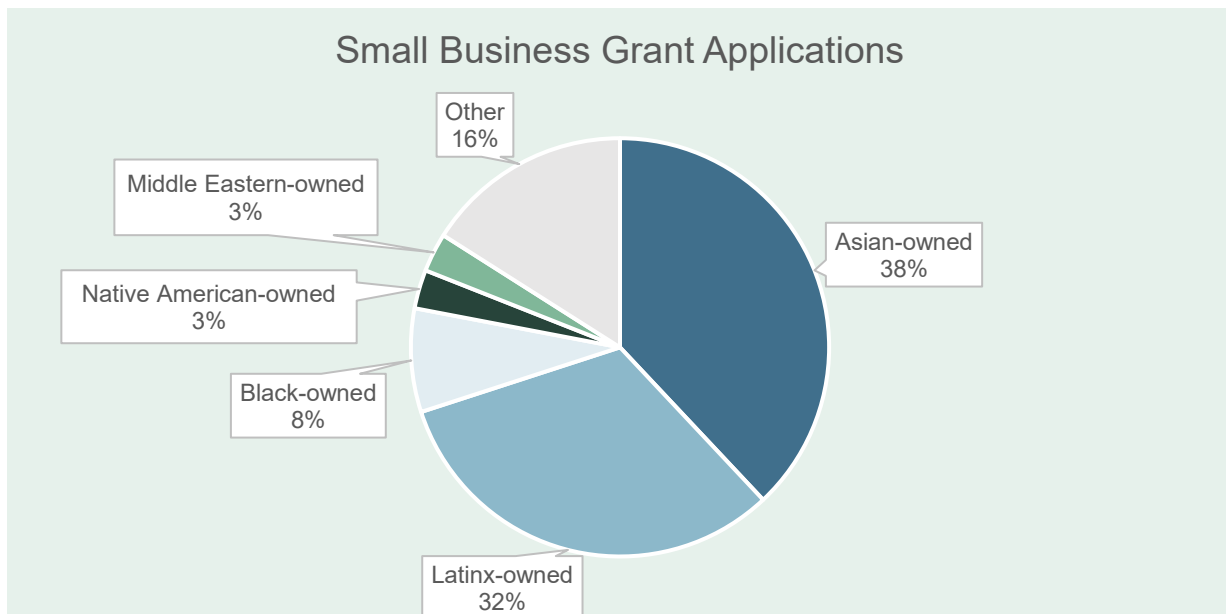


More than half the grant awards were made to applicants who indicated they represented women- or minority-owned businesses including several that represented both categories.

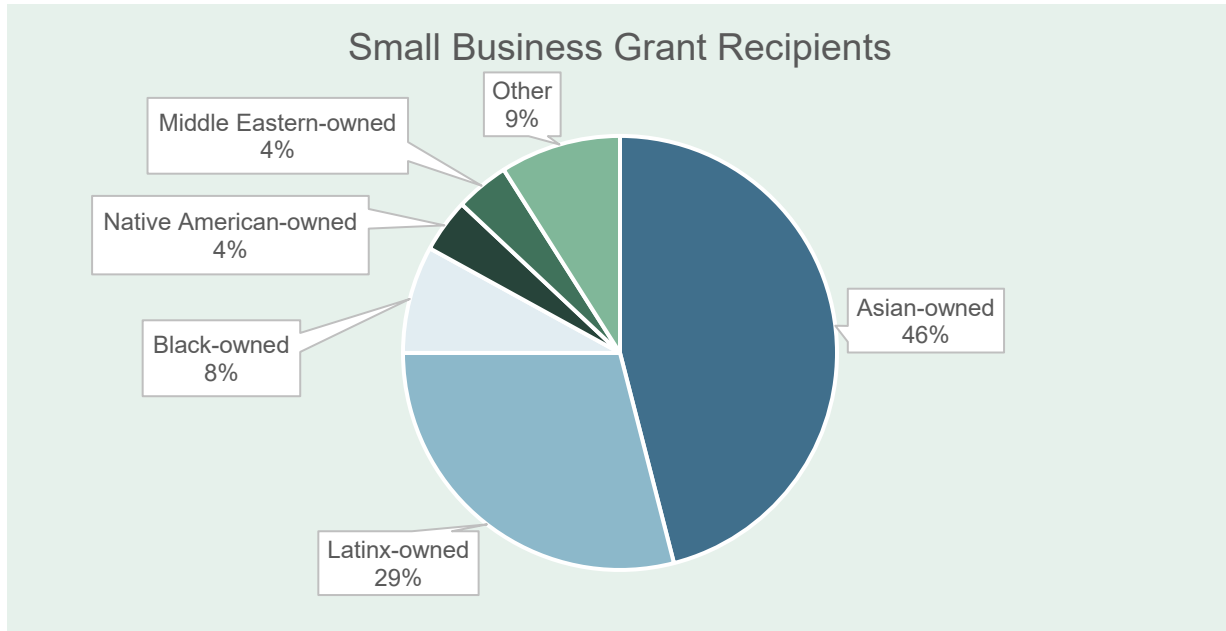
- Of the eligible businesses that *applied for* a grant, 55% represented women- or minority-owned businesses including 43% women-owned businesses and 25% minority-owned businesses.
- Of the businesses that *received* a grant, 57% represented women- or minority-owned businesses including 45% women-owned businesses and 23% minority-owned businesses.
- The overall application approval rate for women- or minority-owned businesses was 83% compared to the overall approval rate of 85%. The approval rate for women-owned businesses was 89% and the approval rate for minority-owned businesses was 79%.



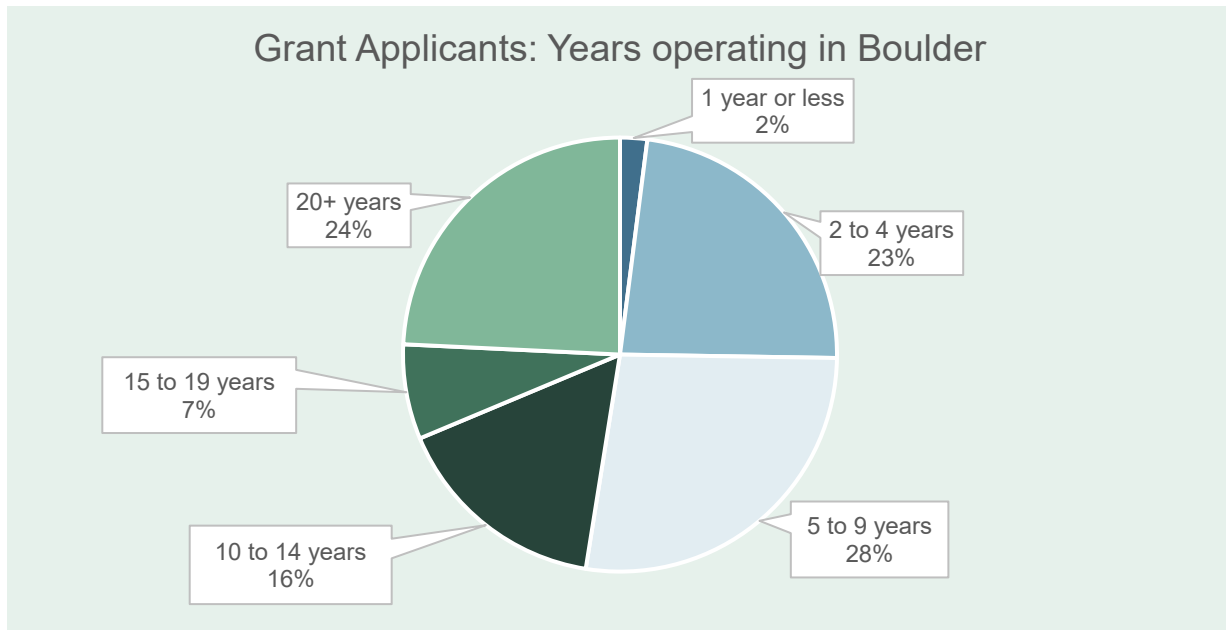
Most (70%) of the eligible minority-owned businesses that applied for the grant indicated they represented Asian-owned or Latinx-owned businesses.



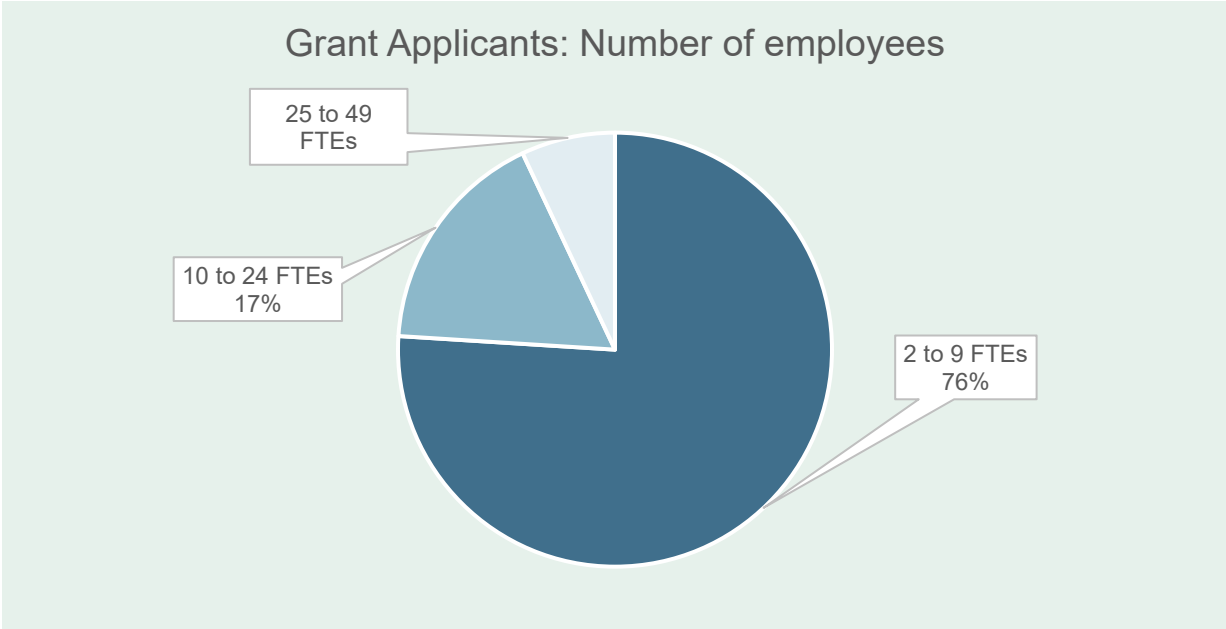
Three-fourths (75%) of the eligible minority-owned businesses that received a grant indicated they were an Asian-owned or Latinx-owned business.



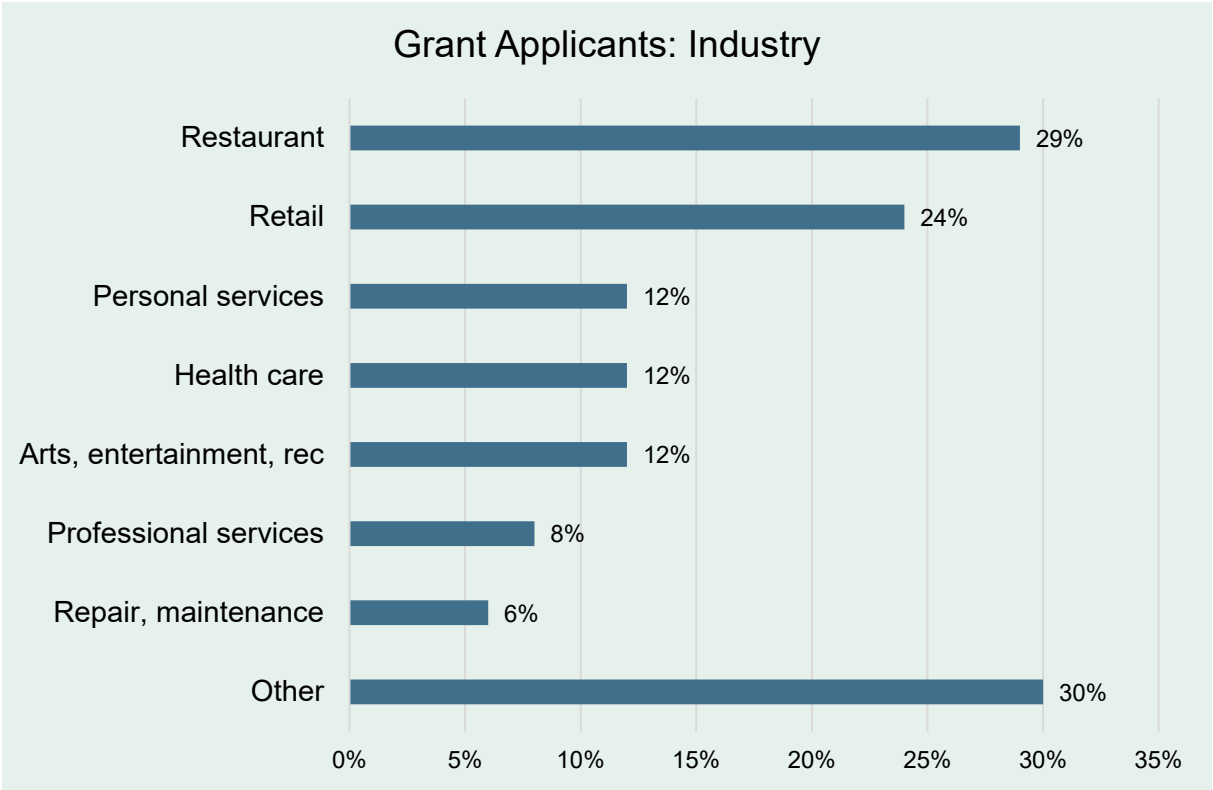
Grant applicants represented businesses that were relatively new to Boulder and those that had been in the city for a longer time. While 25% of the grant applicants had operated in the city for less than five years, nearly half (48%) had been in Boulder for 10 years or longer.



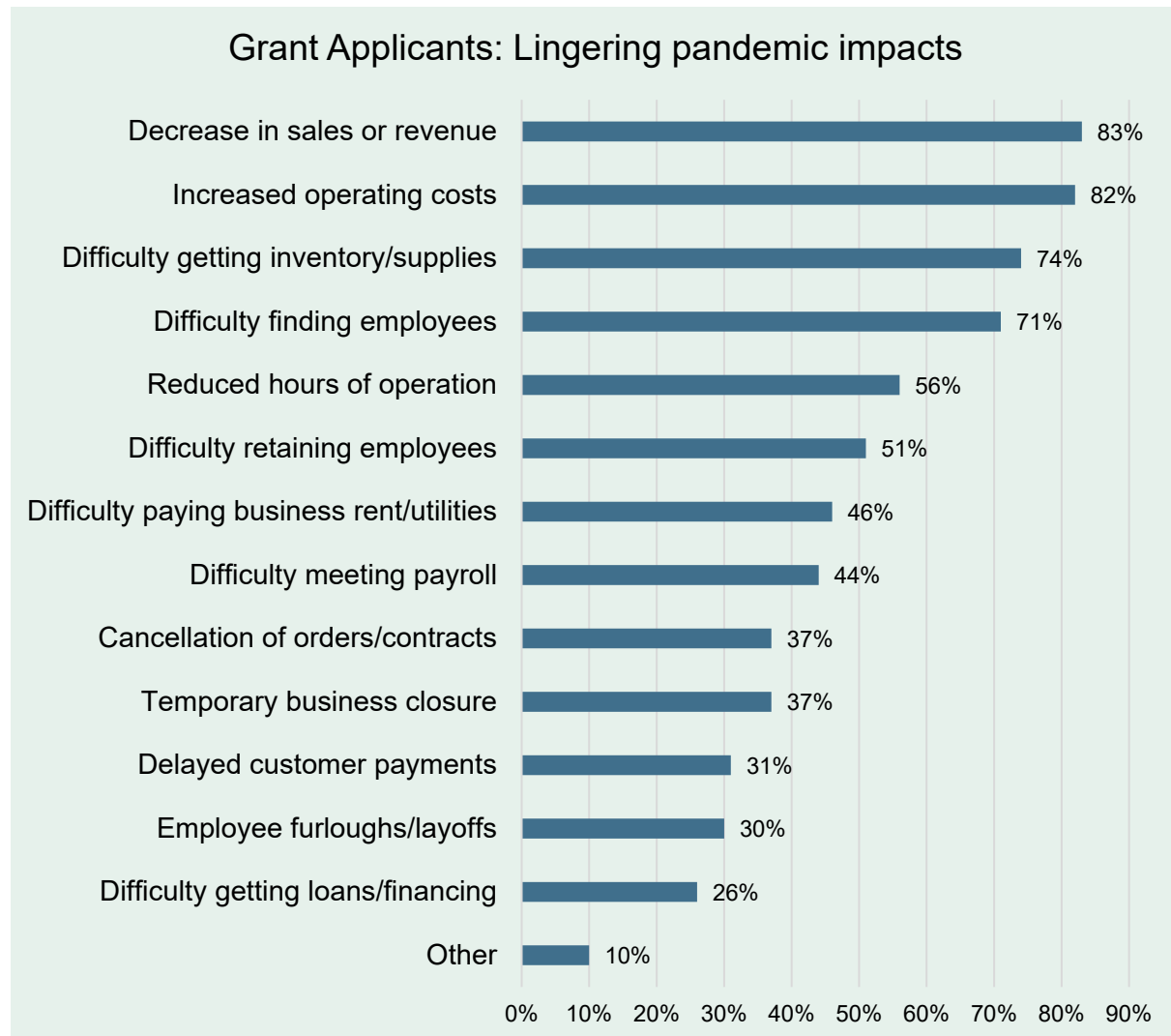
While businesses with between two and 49 full-time equivalent employees were eligible for the grant, more than three-fourths of the applicants had between 2 and 9 employees (FTEs).



While applicants represented a wide range of industries, over half were either restaurants (29%) or retailers (24%).



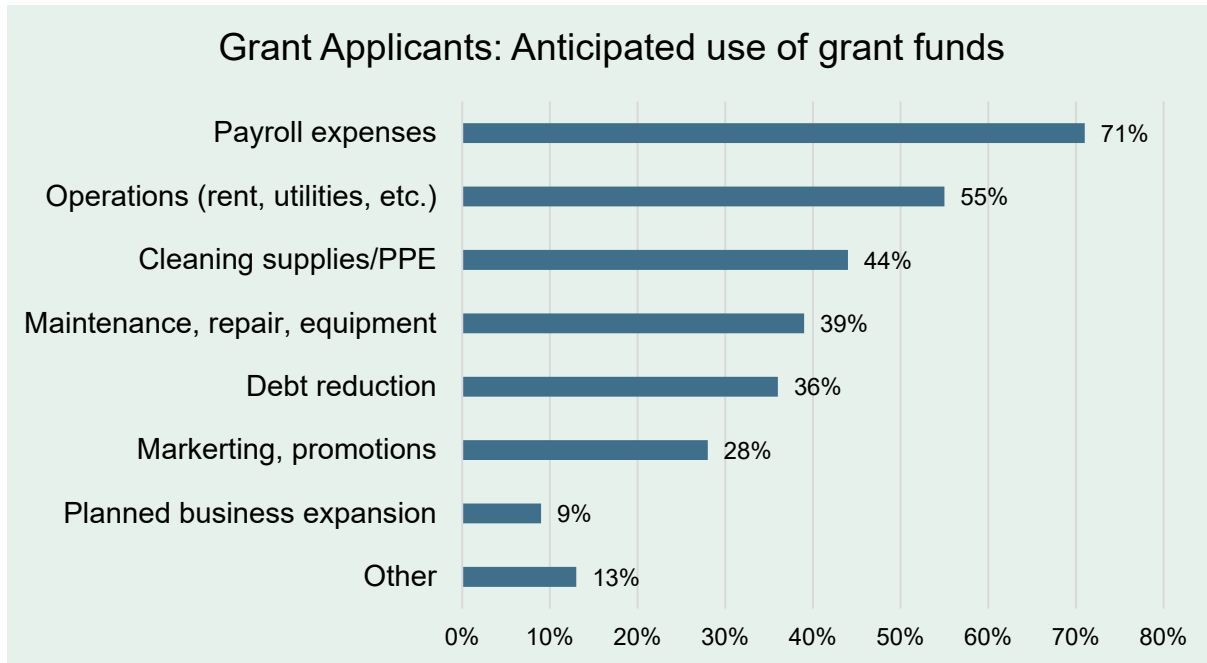
Many small businesses that applied for the grants indicated they continued to experience lingering impacts from the pandemic including decreased revenue (83%), increased operating costs (82%), supply chain issues (74%) and labor shortages (71%).



The vast majority of Boulder ARPA Small Business Grant applicants (91%) indicated their business had received COVID-19 federal, state or local grant or loan assistance. Most of the assistance received was in the form of federal assistance.

- Federal Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) loan from U.S. Small Business Administration (SBA) - 71%
- Federal PPP loan forgiveness or SBA debt relief - 67%
- Federal Restaurant Revitalization Fund (RRF) grant - 10%
- State of Colorado grant - 6%
- Boulder County grant - 10%
- City of Boulder grant - 19%

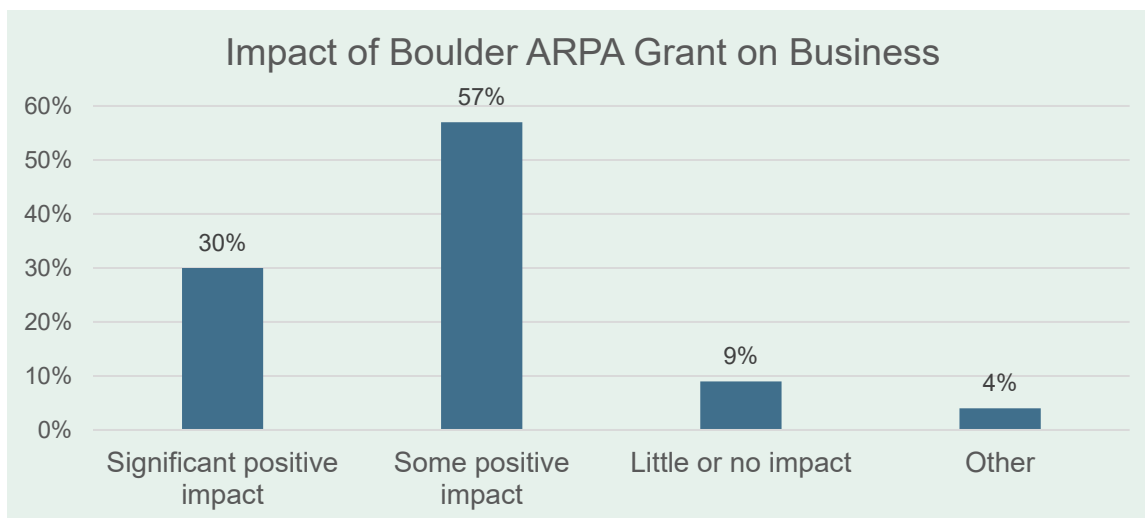
Most grant applicants indicated any grant funding they received would be used to cover payroll expenses or operational expenses. Few expected to use grant funding to expand their business.



Program Outcomes

To help assess the effectiveness of the program and identify areas for improvement, the City of Boulder and CEF conducted an anonymous online survey of grant recipients in September 2022. Of the 224 businesses that received a grant, 90 (40%) participated in the survey.

Most grant recipients (87%) indicated the grant had a positive impact on their business including 30% who reported a significant positive impact.

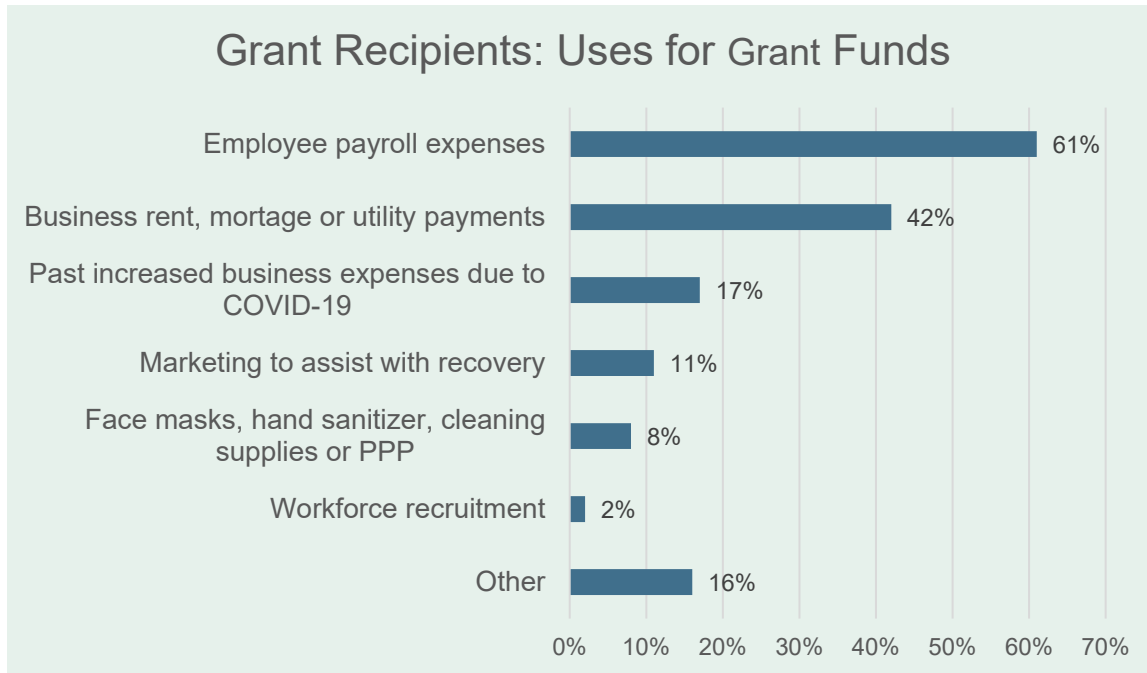


When asked how the grant helped their business recover from the economic disruption caused by the pandemic, most recipients indicated the funds provided help with expenses and a few indicated the grant helped them stay in business. Several of those who received smaller grants reported little or no impact. The following table provides a summary of verbatim comments from grant recipients who participated in the survey.

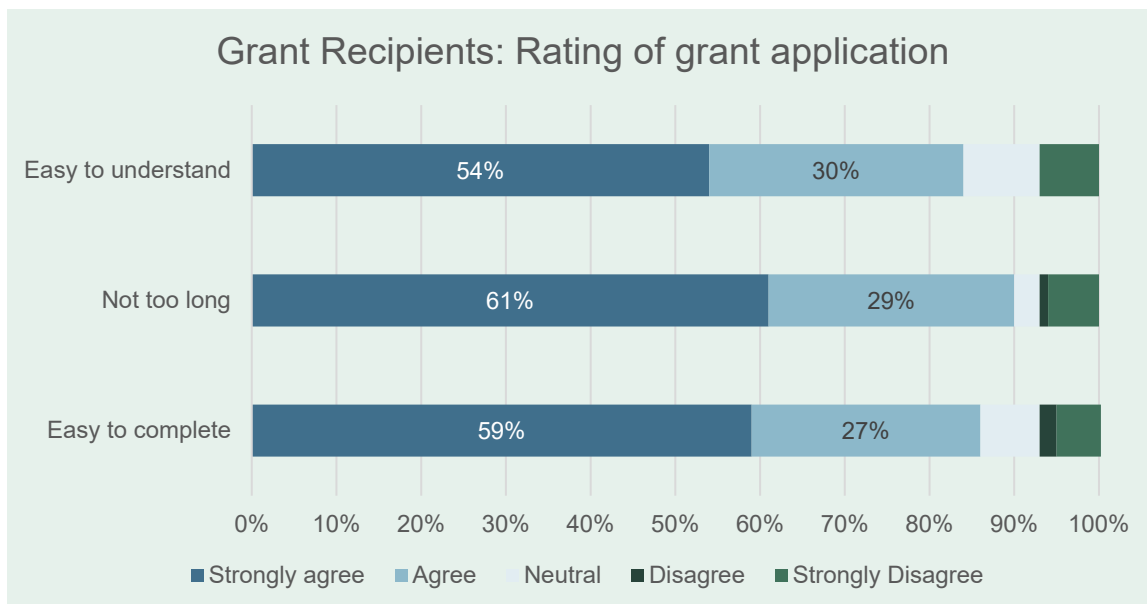
| How has the grant helped your business recover from the economic disruption caused by the COVID-19 pandemic? | |
|---|--|
| Grant award | Grant recipient comments |
| \$5,000 | <ul style="list-style-type: none"> • <i>This grant has helped us stay in business.</i> • <i>This grant has helped with payroll so our [staff] could continue to be paid at their current rate.</i> • <i>Used for payroll. We are experiencing a higher pay rate hike that we haven't seen in 20 years of business history. It absolutely helped even if it was just a small amount.</i> • <i>It helped support our business so much. We decided to use our grants toward payroll.</i> • <i>It has helped because the financial implications of COVID and the deleterious financial effects [that] small businesses felt reached far and wide.</i> • <i>Helped with cash to pay our people in times of need!</i> • <i>The grant helped me pay my office bills</i> |
| \$2,500 | <ul style="list-style-type: none"> • <i>This grant [helped] our business in many ways ... [on-time payments] ... purchasing inventory and PPE items including cleaning supplies.</i> • <i>Improve many things</i> • <i>Helped us to catch up and pay for expenses.</i> • <i>The grant was helpful in keeping up with bills.</i> • <i>Not enough to make a 'life or death' impact, but every little bit helps!</i> • <i>There is no recovery from the damage suffered by Covid...this grant certainly helped smooth an edge and helped me pay my rent and staff. Thank you so very much.</i> • <i>It has helped with rising food cost, rising payroll and prepping our outdoor space.</i> • <i>It helped me hire a much needed employee. The money subsidized our training budget allowing us to bring someone in with limited experience. The new employee is working out fantastic!</i> • <i>The important little things. Utilities, office supplies, cleaning supplies.</i> • <i>We are struggling to become profitable post pandemic, so this grant was super helpful for us!</i> • <i>It helped with general expenses as we work to rebuild the customer base.</i> • <i>With a huge reduction in sales since the pandemic, the grant money gives us a little to put to marketing efforts to try to close the gap.</i> • <i>The cost of human capital has increased substantially but the income from doing business has not increased at the same rate so it has severely tapped into cash reserves in order to stay operating, and this has extended our ability to hold out for one more payroll.</i> |

| | |
|---------|--|
| | <ul style="list-style-type: none"> • Any amount helps • Every little bit helps us to keep afloat. • We received \$2500 and put it all towards our \$10.4k monthly rent. • Extra employee pay helps retain staff. • I'm constantly short still in my business on all finances. It wasn't much but every bit helps when you are on the edge. • It added \$2500 toward payroll. I'm not complaining ... every little bit helps. • It is an absolutely small grant considering the cost to own a small business in Boulder. All small business owners are grateful for any help, but after seeing the city itself received over \$800,000 in recovery money this grant feels like it fell short. |
| \$1,000 | <ul style="list-style-type: none"> • With all costs on the rise the grant helped us to reduce a monthly cost, and help reduce our carbon footprint by changing the lights in our building over to LEDs. The shop in back is so much brighter which is just one more positive impact this grant allowed us to achieve. Thank you. • Sales are still much lower than pre-pandemic. This grant helped to pay our business' portion of rent, utilities and other expenses. • This grant has provided some welcome breathing room to my operating budget to help pay employee wages. • Our industry is having supply and demand issues from COVID and any little bits help! • Has helped keep the lights on. Without the grant, we wouldn't have had hardware working to get our work done. • We were able to test and R&D our new version of our best selling product. • Anything extra helps • \$1000 is better than \$0. We are carrying more inventory due to supply chain challenges, which means we have less cash available. • Will enable us to enhance training in new staff • Helped fund continued employment at our Boulder office • Just helping to get through a difficult time. Everything helps to work through the ongoing challenges of doing business in Covid times. • We were thinking about to give up the business and closed down for good. But through the pandemic, we experienced good things from the Government and the City of Boulder. Businesses, like this one, were not left alone suffering. Also our customers encourage us to keep going. • Unfortunately, the Covid pandemic caused a massive business-wide disruption. Every bit of assistance helped and was appreciated, but \$1k unfortunately was something of a drop in the bucket from an impact standpoint. • It was a very, very small band-aid and almost insulting considering the amount of sales taxes and other taxes we always pay. • [Helped] a little. Admin effort relative to end grant size was too large. Juice probably not worth the squeeze. • Money is very helpful, what we received while appreciated is not meaningful. |

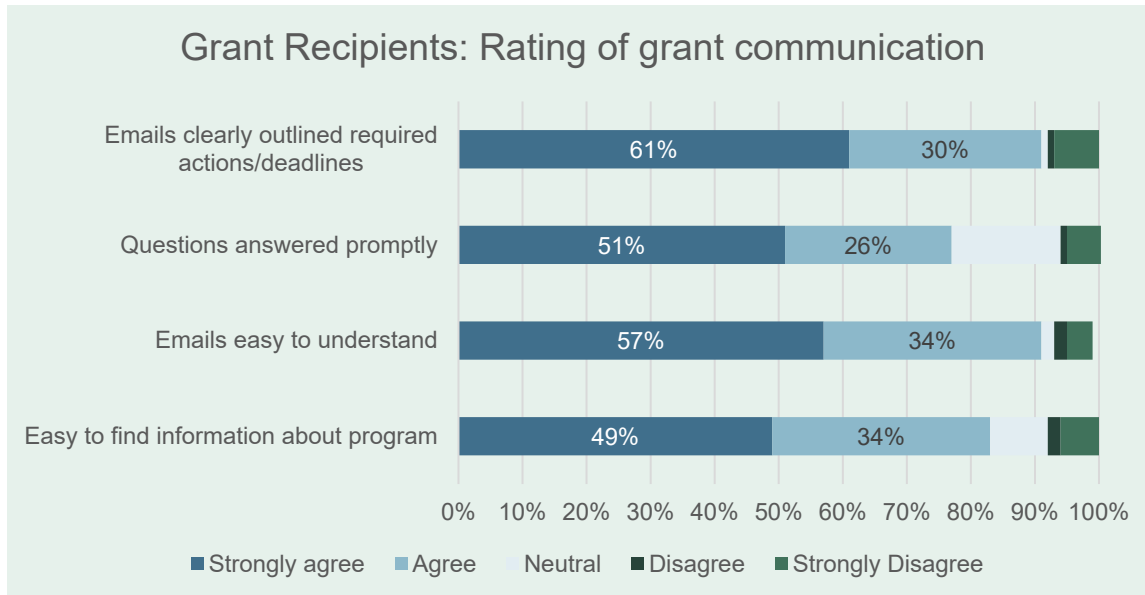
Most grant awardees reported using the grant funds they received for payroll and business occupancy expenses.



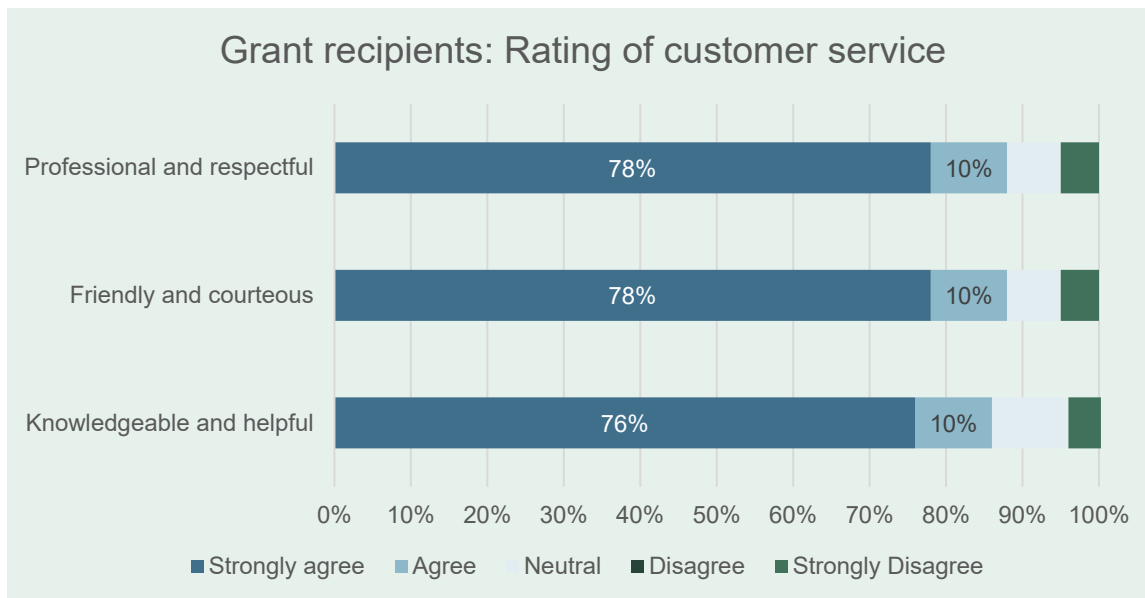
When asked to rate the grant application, most grant recipients indicated they found it to be about the right length and easy to understand and complete.



Many grant recipients indicated high satisfaction with the communication they received about the grant.



Fewer than half (46%) of the grant recipients who participated in the survey reported being contacted by city or CEF staff to confirm their eligibility for the grant. Of those, most found staff to be professional, respectful, friendly, courteous, knowledgeable, and helpful.



While many of the grant recipients expressed gratitude for the grant and reported the process went smoothly, some shared suggestions for improvement and a few expressed concerns about the grant application and review process.

| How can we improve the grant application and review process? | |
|---|--|
| Grant award | POSITIVE Comments |
| \$5,000 | <ul style="list-style-type: none"> <i>I feel it was great, easy and fast communication. Fairly simple and straightforward application. I appreciated the grant very much and am very grateful we were selected. Thank you!</i> <i>Email notifications are good enough.</i> |
| \$2,500 | <ul style="list-style-type: none"> <i>This was very good. Simple and fast.</i> <i>Nothing, I feel that everything was good.</i> <i>Keep helping small business. It was greatly appreciated.</i> <i>It was very effective and efficient.</i> <i>It was easy to apply and follow up with</i> <i>I'm pretty sure you have it down. Hard to improve on something that works so well</i> <i>I honestly had a very pleasant experience, as your kind and patient staff were always prompt and helpful in navigating the process. Thank you so much for offering some small businesses further pandemic relief through this grant program. It has been such a struggle to get through it, and not lose hope as business debts accrued. The City of Boulder's financial kindness and support came at a pivotal time, helping me to keep my staff and relieve some of that debt.</i> <i>I had no issues. So, it was fine.</i> <i>I don't think improvement is needed</i> |
| \$1,000 | <ul style="list-style-type: none"> <i>This was an easy process. Use it as a model for other grants.</i> <i>I feel the process is good as is.</i> <i>I think the application process was easy all the way thru</i> <i>I thought it was easy! No improvements needed on my end.</i> <i>It seemed to work fine and was straightforward</i> <i>It was great! Very quick and easy.</i> <i>Keep doing what you're doing! Appreciate the help when it was needed! It's good to have the community looking out for our small businesses.</i> <i>Not sure, it was overall great</i> <i>As a new small local business who opened right before the pandemic, every little bit of money helps us stay in business.</i> |

| How can we improve the grant application and review process? | |
|---|---|
| Grant award | SUGGESTIONS |
| \$2,500 | <ul style="list-style-type: none"> <i>More grant to help the small business. Thank you very much! Boulder is the Best!</i> <i>Make it more simple, not so long, do not ask unnecessary questions</i> <i>Simplify the application or keep information on file. There was no way to directly contact anyone. That would be helpful. Allow for more grants for independent small businesses. And encourage for more women owned businesses.</i> <i>Although the application deadline was clear and the application was very easy to complete, the deadline for when we would hear if we received ARPA was not. The application check-out page stated one date, and when that date came and went, we didn't know if that meant we wouldn't receive any ARPA, or if the system was just behind. It would have been great to receive a communication on the announced</i> |

| | |
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| | <p>deadline (“early July”), to keep us in the loop that things were running a bit behind so we didn’t have to awkwardly contact the City to see if we were rejected.</p> <ul style="list-style-type: none"> • I only heard of the grant through my accountant. I don’t think I ever talked or emailed with anyone. So it went smoothly, just no real communication. |
| \$1,000 | <ul style="list-style-type: none"> • I wish you had more money available. I know many Boulder businesses were hurt badly during coronavirus. • Increase the funding • Off more substantial amounts. • The only issue we had was that we weren’t initially notified that we had been awarded the grant. There was a woman who was so nice that she made sure to call me to make sure I was aware of the award. The emails weren’t coming through for some reason. |

| How can we improve the grant application and review process? | |
|--|---|
| Grant award | CONCERNS |
| \$2,500 | <ul style="list-style-type: none"> • Leave the city out of this. With the size of our business, \$2500 was a joke. I am appalled at what is likely discrimination. • I have yet to receive the grant, even though it was stated that it was approved. [Note: While it is no possible to determine the source of this comment, a small number of grant applicants received provisional approval pending the resolution of an outstanding business license or tax issue impacting their eligibility for a grant. In a few cases, applicants did not resolve those issues, despite repeated attempts by staff, and did not receive grants.] |
| \$1,000 | <ul style="list-style-type: none"> • When you shut a business down and force mandates, provide more than \$1,000 • We applied for two generally identical businesses. In the end we received a 1k grant for one of the businesses, and unsure why one would get it while the other wouldn’t – applications were nearly the same. Additionally, we submitted the grant request, and were then asked to email the same information again, for both entities. Inquiries as to what was going on and whether we were doing something wrong went unanswered or met with confusion. The grant went from a possible \$30,000 for both businesses, to an outcome of \$1k for one of them. Again, any amount is more than what was “owed” to us, and we were appreciative of the offer, but these funds would have been far more impactful if they were pooled somewhere where they wouldn’t have just disappeared into a black hole of expenses. It seems like a disproportionately inefficient amount of time and resource investment to give out a thousand dollars to businesses who are out hundreds of thousands. [Note: This comment may reflect an experience with a different grant program. All communication about the city’s ARPA small business grant clearly indicated the maximum award would be \$5,000. All information provided by applicants was captured by an online grant application form.] |

Boulder ARPA Child Care Business Grant

The **Boulder ARPA Child Care Business Grant** was designed to provide up to \$100,000 in grants to state-licensed child care centers that provided year-round child care and met other eligibility criteria. The grant for child care businesses was in addition to ongoing support for child care providers and needs-based support for families with low incomes seeking child care, and plans for additional ARPA-funded child care investments provided through the city's Housing and Human Services Department.

Eligibility Criteria and Allowed Grant Uses

To be eligible for the Boulder ARPA Small Business Grant, businesses were required to meet the following criteria:

- Privately held
- Physical (brick-and-mortar) presence within Boulder city limits (not a private residence)
- Active state Child Care Center License
- Provide year-round childcare
- Active City of Boulder business license (or applied for license)
- Current on city utility and tax accounts or be on a payment plan with the city
- 2 to 49 full-time equivalent employees

Home-based child care providers were not eligible for the grants due to limited funding for the program and other factors.

Grant funding could be used to assist with business-related costs incurred due to the pandemic such as rent, mortgage or utility payments; employee payroll; accounts payable and other fixed debt costs; and personal protection equipment (PPE). Under ARPA, the federal funds may only be used to cover costs that are necessary economic recovery expenditures incurred due to the COVID-19 public health emergency incurred no earlier than March 1, 2020.

Grant Promotion, Application and Review Process

Information about the ARPA Child Care Business Grant was shared with the community and potential applicants through the following:

- [News release](#) issued by the City of Boulder and CEF
- Articles in the *Daily Camera* and *BizWest*
- City of Boulder and CEF websites and social media
- Websites and newsletters of the city's economic vitality partners including the Boulder Chamber, Boulder Small Business Development Center (SBDC), Downtown Boulder Partnership and The Latino Chamber of Commerce of Boulder County
- Email in English and Spanish to 3,950 city business license holders (excluding nonprofits and marijuana businesses)
- Email in English and Spanish to child care businesses located in Boulder

The online application, available in English and Spanish, was available on the City of Boulder website from June 6 to June 20, 2022.

Applications confirmed to be eligible (or provisionally eligible pending resolution of a license or tax issue) received a score based on answers to quantitative questions and reviewed by a committee of staff members who made recommendations for grant awards. All complete applications received and confirmed to be eligible were evaluated based on a scoring model that considered financial and other information provided by applicants including:

- Impact of and adaptation to the COVID-19 pandemic
- Financial need
- Adaptation to changing business conditions
- Planned use of funds
- Other factors

Three partial applications were submitted and remained incomplete (and ineligible for a grant) despite deadline extensions and multiple attempts by staff to contact and encourage those applicants to complete their applications.

Grant awards were determined using both quantitative and qualitative information from applications including:

- Quantitative scoring of business characteristics, impact and adaptation, and financial viability; and
- Review by a committee of representatives from the city's Housing and Human Services Department, Racial Equity Team and Economic Vitality Team who also considered applicant responses to open-ended questions about how the pandemic had impacted their business, measures taken to mitigate that impact, and how any grant award might be used to help the business recover.

Applications representing child care businesses providing care for infants and toddlers, non-English speakers, sick children, children with disabilities or special needs, and women- and minority-owned child care businesses received additional consideration.

Grant Awards

A total of \$55,000 in grants were awarded to Boulder child care businesses, representing 55% of the \$100,000 funding budgeted for the grants. Of the 11 complete applications received from eligible applicants, 100% received a grant award of \$5,000.

Grant payments were made electronically starting in August 2022 as grant awardees provided the documentation needed for payment processing.

Just over one-third (36%) of grant recipients indicated they represented women-owned businesses. Although none of the applicants indicated they represented minority-owned businesses, one of the recipients is a bilingual (Spanish/English) preschool that described its services as providing care for “very low- to low-income families, specifically the underserved Spanish-speaking and immigrant population in the Boulder area.”

Most (91%) of applicants had operated in Boulder for 10 years or more, including 82% that had been in Boulder for 20 years or longer. All of the applicants provided childcare from a single location and represented a range of sizes and services. Thirty-six percent (36%) had between 2

and 9 employees, 46% had between 10 and 24 employees and 18% had between 25 and 49 employees. The smallest child care business had the capacity to serve 15 children and the largest could serve up to 171 children.

To be eligible for the grant, child care businesses were required to have a current state child care center license. Of the grant awardees, 27% had a Level 1 license, 46% had a Level 2 license, and 27% had a Level 4 license.

All of recipients offered care for preschoolers (2–5 years) and 64% offered care for toddlers (13 months – 2 years), 45% offered care for school-aged children (6+ years), and 45% offered care for infants (under 1 year).

Many of the grant recipients indicated they offered special services including:

- Staff that speak Spanish or other non-English languages (82%)
- Care for children who are non-English speakers (64%)
- Services for students with disabilities or special needs (55%)
- Individualized education or Family Service Plan (46%)
- Care during breaks or summer for school-aged children (36%)
- Before or after school care for school-aged children (18%)
- On-site support services (medical, dental, counseling) (9%)

Child care businesses that received a grant indicated they were currently experiencing impacts from the pandemic including:

- Decrease in revenue (82%)
- Difficulty finding employees (82%)
- Difficulty retaining employees (73%)
- Increased operating costs (73%)
- Delayed payments from clients (64%)
- Reduced hours of operation (46%)
- Difficulty getting needed inventory or supplies (36%)
- Unfilled child care slots (36%)
- Difficulty paying employees or meeting payroll expenses (36%)
- Loss of clients (27%)
- Employee furloughs or layoffs (18%)
- Difficulty paying business rent or utilities (9%)

Only one of the grant recipients indicated all of their child care slots were currently filled. Over one-third indicated 50% to 74% were filled and 18% indicated less than 25% were filled. Nearly half (46%) indicated their revenue in 2021 had decreased by more than 25% from 2019.

All of the grant recipients indicated their business had received COVID-19 federal, state or local grant or loan assistance. Most received federal or state assistance.

- Federal EIDL or PPP loan (91%)
- Federal PPP loan forgiveness or SBA debt relief (73%)
- State of Colorado grant (91%)

- Boulder County grant (46%)
- City of Boulder grant (9%)

Most grant applicants indicated any grant funding they received would be used to cover payroll expenses or operational expenses.

- Payroll expenses (91%)
- Operation expenses - rent, utilities, insurance, etc. (55%)
- Ongoing and safe operations - cleaning supplies, PPE, etc. (55%)
- Maintenance, repair or replacement of equipment (36%)
- Marketing or promotional expenses (18%)
- Staff retention bonuses (9%)

Conclusions

The ARPA-funded small business grant programs were successful in meeting the intended goals of:

- Helping to address persistent impacts of the pandemic and facilitate inclusive economic recovery;
- Assisting as many businesses as possible with the funding available while focusing on industries and communities that were more negatively impacted by the pandemic; and
- Efficiently implementing a program that was accessible and effective.

The programs provided grants totaling \$455,000 to 235 local small businesses. A follow up survey of ARPA Small Business Grant recipients indicated appreciation for the extra funds and most (87%) reported the grant had at least some positive impact on their business.

Grant awards of \$1,000, \$2,500 or \$5,000 helped assure that more small businesses would be awarded grants and that larger grants would be awarded to businesses experiencing greater impacts and having more financial need. While a very small number of businesses indicated the grants helped save their business, many expressed the sentiment that every little bit helps and used the funds to offset some of their payroll or operating expenses. While smaller awards made it possible to use a shorter application that did not require businesses to provide financial statements, the grant amounts offered had less impact on businesses than larger grants would have had.

Many of the grants were made to businesses in industries or communities that experienced greater impacts from the pandemic. More than half (53%) of the grants were awarded to restaurants or retail businesses and 57% of the grants were made to women- or minority-owned businesses.

Although both grant programs had aspects that were labor intensive, most grant awardees received a payment in 6 to 10 weeks after the end of the application period. Most received grant funds in late July, with a few receiving funds in mid- to late-August.

Grant recipients were mostly satisfied with the communication they received about the grant and generally found the application to be easy to understand and complete. Those who had contact

with city or CEF during the grant application and award process gave staff high marks on customer service including professionalism, respect, friendliness, courtesy, knowledge, and helpfulness.

Recommendations

Overall, the ARPA small business grant programs were mostly successful in meeting goals and many things went well, including:

- Using Colorado Enterprise Fund (CEF), a third-party administrator for the ARPA Small Business Grant with experience in managing business grant programs and working with small businesses, contributed to the effectiveness and efficiency of the program.
 - It is important to note that the city's involvement in the program was required even with a third-party administrator, and it worked well to have city staff member designated as a primary contact and Finance team contacts who worked closely with CEF throughout the program.
- Sharing responsibilities for implementing the small business grant between city and CEF staff helped leverage expertise, facilitate coordination, and reduce administrative costs.
 - CEF published information about the grant and host the online application on the organization's website and helped promote the grant; screened applications for eligibility and provided preliminary scoring; convened the evaluation committee that recommended final grant awards; managed most of the communication with grant applicants; disbursed grant payments; surveyed grant recipients to help determine the impact of the grant program; generated 1099 forms and will fulfill federal audit and reporting requirements.
 - City staff established the grant details (grant amounts, eligibility criteria, etc.) and designed the application and scoring system with input from CEF and economic vitality partners. Staff also led grant outreach and promotional efforts, wrote the grant description, FAQs, messaging, and notifications, and provided Spanish translations; provided additional eligibility screening; confirmed applicant eligibility (active city business license, current on city taxes and utilities, etc.); worked with applicants to resolve any outstanding tax or licensing issues; and helped design the follow up survey.
- Including an example of the city's business license on the application and indicate where applicants could find their license number.
- Using a process for grant award determination that combined automated scoring on quantitative application questions to determine preliminary grant awards with a review by an evaluation committee that made final award recommendations based on open-ended application questions, i.e., how the pandemic impacted individual businesses, how applicants adapted to changing conditions, and how they planned to use any grant funds received.

There were also lessons learned including several areas for improvement to consider for any future small business grant programs the city may offer.

- Having a separate, yet similar, grant program for childcare businesses caused confusion and created more work for staff. In retrospect, it would have been more efficient to offer one program covering both groups.
- While many grant recipients provided positive feedback about program-related communications, there are opportunities to improve outreach and messaging.
 - Applications and communications about the grant programs were available in both English and Spanish and the grants were promoted through the Latino Chamber. To increase awareness of and participation in grant programs among BIPOC business owners, it will be helpful to expand outreach through the Latino Chamber, NAACP Boulder County, and other organizations. It will also be helpful to provide more advance notice of upcoming grants and provide technical assistance and alternative access to online applications.
 - Having applicants receive communications from both the city and CEF may have caused some confusion, particularly in the application review and eligibility confirmation process.
 - Several grant awardees did not respond to multiple requests to complete documentation needed to make grant payments, requiring significant staff time and delaying disbursements. Adding wording to grant award notices to indicate the award is contingent on receipt of forms by the deadline may help. It will also be helpful to anticipate the need for follow up with grant awardees when planning project timelines and staff resources.
 - The term “privately held business” used for one of the eligibility requirements seemed to cause some confusion. It may be helpful to clarify with the addition of other terms such as “not publicly traded”.
 - More communication with grant applicants and awardees about the timing of grant decisions and awards may be helpful.
- In developing grant program timelines, consider providing more advance notice of the grants and allow more time for the grant application review and awards disbursement.