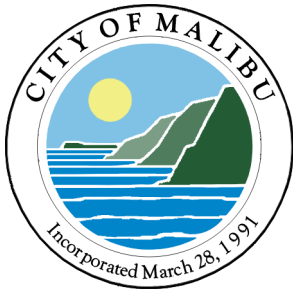


F. Approval of Small Business Micro Stabilization Grant Program

Recommended Action: 1) Approve the establishment of the City of Malibu Small Business Micro Grant Stabilization Program; 2) Authorize an initial grant funding pool of \$300,000; 3) Authorize bypassing the Administration and Finance Subcommittee review and appropriate \$300,000 from the General Fund Undesignated Reserve to Account Number 100-7001-5930-004 (Community Grants – Small Business Micro Stabilization); and 4) Authorize Administration & Finance Subcommittee to review and award successful applicants.

Staff Contact: Acting City Manager Toney, 456-2489, ext. 224



Council Agenda Report

To: Mayor Stewart and the Honorable Members of the City Council

Prepared by: Alexis Brown, Acting Assistant City Manager

Approved by: Joseph D. Toney, Acting City Manager

Date prepared: April 25, 2025 Meeting date: April 28, 2025

Subject: Approval of Small Business Micro Stabilization Grant Program

RECOMMENDED ACTION: 1) Approve the establishment of the City of Malibu Small Business Micro Grant Stabilization Program; 2) Authorize an initial grant funding pool of \$300,000; 3) Authorize bypassing the Administration and Finance Subcommittee review and appropriate \$300,000 from the General Fund Undesignated Reserve to Account Number 100-7001-5930-004 (Community Grants – Small Business Micro Stabilization); and 4) Authorize Administration & Finance Subcommittee to review and award successful applicants.

FISCAL IMPACT: Funding for these services was not included in the Adopted Budget for FY 2024-25. An initial \$300,000 will be appropriated from the City's General Fund to fund the program. Additional allocations, if needed, would require Council approval at a later date.

STRATEGIC PRIORITY: This item was not included in the Adopted FY 2024-25 Strategic Priority Project List, but this has been prioritized due to the declared emergency.

DISCUSSION: At the April 14, 2025, regular City Council meeting, Council directed staff to establish a Small Business Micro Stabilization Grant Program to assist businesses impacted by the Palisades Fire, severe winter storms, and prolonged Pacific Coast Highway closures.

As part of that direction, the Council determined that applications should be forwarded to the Administration & Finance Subcommittee for review and award decisions. This report presents the final program design for Council approval and formalizes the review and award structure.

The Small Business Micro Stabilization Grant Program is intended to provide immediate, flexible financial assistance to local businesses facing significant economic challenges.

Program Overview

- Grants between \$5,000 and \$20,000 will be available.
- The initial funding pool will be \$300,000, allocated from the City's General Fund.
- Applications will be accepted over a three-month open solicitation period, with review and award decisions occurring every two weeks by the Administration & Finance Subcommittee.

Eligibility Criteria

Applicants must:

- Hold a valid City of Malibu business license issued on or before December 1, 2024;
- Operate an independently owned business physically located within Malibu city limits;
- Demonstrate financial hardship directly attributable to the Palisades Fire, storms, or road access disruptions;
- Be in good standing with the City.

Acceptable Documentation of Hardship

To accommodate newer businesses, applicants may submit alternative documentation such as:

- Profit and loss statements,
- Business bank statements,
- Sales tax receipts,
- Payroll records,
- POS system reports,
- Signed explanation of operational disruptions,
- Insurance claims or utility bills demonstrating business interruption.

Eligible Use of Funds

Eligible uses include rent assistance, payroll, inventory replacement, equipment repairs, utilities, marketing, and recovery-related costs.

Review Process

- Applications will be reviewed on a rolling basis every two weeks by the Administration & Finance Subcommittee during the open application period.
- The Subcommittee will review, score, and determine grant awards based on eligibility, demonstrated need, and application completeness.

ALTERNATIVES:

- Modifying the maximum or minimum grant award amounts;
- Adjusting the total funding pool allocation;
- Modifying the role of the Administration & Finance Subcommittee;
- Directing staff to return with additional options for administration or timing adjustments.

ATTACHMENTS:

- A. Small Business Micro Grant Stabilization Program Application Packet



City of Malibu

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Phone (310) 456-2489 • Fax (310) 456-3356 • www.malibucity.org

Small Business Micro Stabilization Grant Program

Application Packet

Program Overview

The City of Malibu has established the Small Business Micro Stabilization Grant Program to provide direct financial assistance to local small businesses affected by the Palisades Fire, severe storms, and prolonged Pacific Coast Highway closures.

Grants ranging from \$5,000 to \$20,000 are available to help businesses with economic recovery and to retain jobs within the community.

The program is funded by City of Malibu resources and administered under the City's General Fund Grant Program framework.

Eligibility Requirements

To qualify, applicants must:

- Operate a brick-and-mortar or home-based business physically located within the Malibu city limits;
 - Have a valid County of Los Angeles business license issued on or before December 1, 2024;
 - Be independently owned and operated (not a corporate chain or publicly traded entity);
 - Have experienced demonstrable hardship related to the Palisades Fire, storm damage, or road closures (e.g., revenue decline, staffing reductions, business interruptions);
 - Have no outstanding code violations with the City;
 - Be in good standing with all applicable local, state, and federal regulations.
-

Eligible Use of Funds

Grant funds may be used for:

- Lease or rent assistance
- Payroll and employee retention
- Inventory replacement
- Equipment or repairs

- Utilities and insurance expenses
- Marketing and promotion efforts to re-establish operations
- Costs associated with temporary relocation if needed

Note: Grant funds cannot be used to repay personal loans, personal expenses, or to fund new business startups.

Grant Amounts

Applicants may request funding between:

- Minimum: \$5,000
- Maximum: \$20,000

Grant amounts will be determined based on demonstrated need, impact, and available funding.

Required Documents

Applicants must submit the following:

- Completed application form (included below);
 - Proof of valid County of Los Angeles business license;
 - Proof of financial hardship, such as a profit and loss statement, business bank statements, sales tax receipts, POS system reports, payroll records, or other documentation demonstrating disaster-related business disruption.
 - Narrative statement describing financial impact and recovery plans (maximum 500 words);
 - Copy of current lease agreement, or property ownership documentation (if applicable);
 - IRS W-9 Form (Request for Taxpayer Identification Number and Certification);
 - Any supporting documentation demonstrating hardship (e.g., revenue loss reports, notice of insurance claim, termination notices, staffing reduction evidence).
-

Timeline

Application Period Opens: May 1, 2025

Application Period Closes: August 1, 2025

Review and Award: May 15, June 1, June 15, July 15, July 29, and Final August 12

Application Review Criteria

Applications will be evaluated based on:

- Demonstrated financial hardship and need;
- Overall impact of the fire, storm events, and PCH closures;
- Viability and recovery potential of the business;

- Completeness of the application and supporting documentation.
- All grant awards are subject to available funding and City Council authorization.

Acceptable Documentation for Demonstrating Hardship

Note: If you are a newer business without a full-year profit and loss statement, you may submit alternative documentation listed in the program guidelines to demonstrate your hardship.

Applicants must submit one or more of the following:

- Profit and Loss Statement (2023 and/or YTD 2025)
OR, if not available:
- Business Bank Statements showing revenue loss (e.g., compare recent months to pre-disaster months)
- Sales Tax Receipts showing a decline in taxable sales
- Point-of-Sale (POS) System Reports showing drop in transaction volume
- Payroll Records showing reduction in workforce or staffing hours
- Letter of Explanation (signed by business owner) describing impacts and changes in business activity, such as closures, loss of contracts, event cancellations, or supply chain disruptions
- Insurance Claims or Notices related to fire, storm, or business interruption
- Lease Amendments or Rent Deferral Agreements showing hardship negotiations with landlords
- Utility Bills showing significant change in business operations (e.g., closed for a period, reduced usage)

APPLICATION FORM

1. Business Information

Business Name: _____

Business Address: _____

Mailing Address (if different): _____

Business License Number: _____

Type of Business (brief description): _____

Years in Operation: _____

Is this a home-based business? ☐ Yes ☐ No

2. Contact Information

Business Owner Name: _____

Phone Number: _____

Email Address: _____

3. Impact Assessment

Describe how the Palisades Fire, storm events, or PCH closures impacted your business operations. (Maximum 500 words)

Estimated revenue loss (%) compared to prior year: _____%

Current number of employees (as of today): _____

Number of employees prior to December 2024: _____

4. Funding Request

Amount Requested: \$ _____ (between \$5,000 and \$20,000)

Briefly describe how you plan to use the grant funds:

5. Certification

I certify that all information provided in this application is true and correct to the best of my knowledge. I understand that the City of Malibu may verify information provided and that false statements may result in forfeiture of grant funding.

Signature: _____

Date: _____

Submission Instructions

Submit your completed application and required documents:

By Email: **[Insert Email Address]**

By Mail or In Person: 23825 Stuart Ranch Road, Malibu, CA 90265

Applications must be received by August 1, 2025, to be considered.