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Town approves funding for its businesses still struggling from COVID setbacks

By Vera Kochan

The federal government initiated a \$1.9 trillion stimulus bill in March 2021, called the American Rescue Plan Act (ARPA). From that amount, a \$130 billion recovery fund was created to provide local governments with help in surviving the economic hardships suffered during COVID mandates. Moraga's allocation of these funds is \$4,254,072. The first installment of \$2,127,036 was received in July 2021; the second \$2,127,036 installment will arrive in July 2022.

The town's Fiscal Year 2021-22 Adopted Budget includes the initial ARPA revenue and \$1.45 million in expenditures such as revenue loss, investment in storm drain system and broadband infrastructure, and costs toward an outdoor seating area to allow for public attendance during meetings held in the Council Chamber during the pandemic.

According to the March 23 staff report by Town Manager Cynthia Battenberg, the United States Department of Treasury issued a Final Rule in January 2022, addressing "many of the concerns communities raised with the Interim Final Rule, and increased the flexibility for local governments while simplifying the program. More specifically, the Final Rule offers a standard allowance for revenue loss of up to \$10 million, enabling the Town of Moraga to select to use the full award for government services (defined as services traditionally provided by the recipient government agency) with streamlined reporting requirements."

During the town council's Feb. 23 meeting a resolution was adopted designating the entire \$4.2 million ARPA allocation as Replacement for Lost Public Sector Revenue. At that time, the Moraga Chamber of Commerce requested that the town offer financial assistance and a relief program for still struggling small businesses. Council requested that the Chamber meet with the town staff to adopt a formula whereby any funds could be put to best use.

Executive Director Katie Bidstrup made a presentation on behalf of the Chamber during the March 23 council meeting, which concentrated on four elements that could help guide small businesses toward a revival. To start things off, an overall request was made for the council to set aside \$250,000 of the ARPA funds in support of Moraga's retail owners.

The first element was to provide \$30,000 for Business Rescue Funding. This would provide grants of up to \$5,000 each for businesses struggling to pay back due rent or utilities. The second element was a request for \$17,000 to fund two community events: the annual Community Faire, and a new event called Art Walk. The third element was the \$5,000 funding of a Moraga Chamber Gift Card Program; and the fourth element would be a \$10,000 funding to help the chamber get back on its feet.

Several business owners spoke during the public comment portion of the meeting, which was held in-person at the Council Chambers, to discuss the adverse effects that the pandemic had on them and requested that the town council be generous with the ARPA distributions.

Following staff's recommendation, the council voted to increase the \$30,000 Business Rescue Funding to \$150,000 with the opportunity to provide more should the need arise, if the Chamber can present the necessary reasons why during a future meeting. This increase in funding means that each small business, whether brick and mortar or home-based, is entitled to a maximum of \$5,000 each to pay for qualifying costs incurred on or after March 3, 2021.

The town agreed to fund \$17,000 toward the two events (\$15,000 for the Community Faire and \$2,000 for an Art Walk). The Community Faire was created in mid-2000 and co-sponsored by the Chamber and various other entities to help businesses showcase their offerings to faire-goers, besides bringing the community together for a day of fun (pony rides, food, classic cars, additional attractions for kids, etc.). Without funding from the town the Chamber will not activate the faire this summer. The council requested that the Chamber seek sponsorship from larger corporations to help offset costs.

Even though the Art Walk is a new concept for the Chamber, the basic precept entails a walking tour of art located strategically throughout Moraga's shopping centers, thus helping to create more foot traffic. The town opted out of sponsorship by giving the \$2,000 directly to the Chamber for use toward the Art Walk. The town council rejected the \$5,000 request for funding a Gift Card Program. The concept was that for every \$20 spent in town, customers would receive a \$20 voucher that could be spent at a participating Moraga business. If and when the \$5,000 fund became depleted, the chamber would ask for a replenishment from the town. While Bidstrup reported that the concept was a hit in Lafayette and Concord, council members voted 3-2 against the Gift Card Program (Mayor Renata Sos, Council Member Teresa Onoda and Council Member Sona Makker in favor of putting that \$5,000 in the hands of struggling retailers).

With regards to the Chamber's request for \$10,000 in funding to help boost its operational needs due to lack of membership participation resulting from business interruptions during COVID mandates, the town agreed to provide the full monetary request with an additional \$10,000 in funding during July for any future needs.

In total, the town council gave staff direction of preliminary approval for up to \$187,000 in ARPA funds to support Moraga's business community. Final approval is expected during the next town council meeting on April 13. The Chamber, in the meantime, will continue to assess small business needs in order to report back any results or suggestions to the town council at a future date.

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