



# DeKalb County Government

Manuel J. Maloof Center  
1300 Commerce Drive  
Decatur, Georgia 30030

## Agenda Item

File ID: 2020-1238

Substitute

10/13/2020

Public Hearing: YES  NO

Department: Board of Commissioners

### SUBJECT:

Commission District(s): District 7

**TO APPROPRIATE CORONAVIRUS, AID, RELIEF, and ECONOMIC SECURITY ACT “CARES ACT” ASSIGNED TO POETA ACCOUNT #105424.63258.521209.01.07.602313 RESERVED FOR DISTRICT 7 APPROPRIATIONS TO THE COMMUNITY BASED ORGANIZATION DESCRIBED IN THE FISCAL IMPACT SECTION OF THIS AGENDA ITEM BELOW FOR THE PURPOSE OF THE CREATION OF AN ENTREPRENEURSHIP INCUBATOR TO ENCOURAGE SMALL BUSINESS DEVELOPMENT FOR THE COMMUNITY AT LARGE WHO HAVE BEEN SEVERLY IMPACTED BY THE COVID-19 PANDEMIC**

**Information Contact:** Commissioner Lorraine Cochran-Johnson

**Phone Number:** 404-371-2899

### PURPOSE:

To approve a resolution to appropriate District 7 Federal Coronavirus Relief Fund proceeds assigned to Grant Fund #258 for the purpose of the creation of an entrepreneurship incubator and youth entrepreneurship initiative to encourage small business development for the community at large who have been severely impacted by the COVID-19 pandemic.

### NEED/IMPACT:

COVID-19 has impacted many families and youth in District 7 and public assistance relief is needed to counter the negative impacts of the pandemic by providing DeKalb residents the skills they need to successfully own, operate, stabilize and grow a small business. Reports show that the COVID-19 pandemic has led to a stark shift in unemployment among youth. The gains made to decrease youth unemployment over the past decade have reversed, posing challenges that exacerbate their economic vulnerability resulting from fewer job opportunities and lower earnings. The unemployment rate among youth have increase by 20.9 percent as a result of the COVID-19 pandemic. This budget amendment will place resources with Operation HOPE to provide entrepreneurship training and business support to residents affected by the COVID-19 pandemic.

Operation HOPE will develop an Entrepreneurship Incubator to provide education on small business development, business stabilization, business principles, financial dignity, credit education, credit repair and the procurement of financial resources for DeKalb residents affect by the COVID-19 pandemic. Operation HOPE will implement the Banking On Our Future (BOOF) DeKalb youth initiative to create young entrepreneurs. By providing an engaging entrepreneurial curriculum in a structured format for DeKalb’s young citizens, Operation HOPE can guide young minds and develop entrepreneurial spirits. BOOF participants will earn a minimum wage while participating in the program. The curriculum will be technology driven, where laptops will be



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provided to all program participants. The program will remain virtual until the CDC and local guidelines allow for in person instruction at which time the program will take-on a hybrid learning approach.

## **FISCAL IMPACT:**

Appropriate an amount not to exceed \$350,000 from POETA Account #105424.63258.521209.01.07.602313 to Operation HOPE develop an Entrepreneurship Incubator and youth entrepreneurship initiative to provide education on small business development, business stabilization, business principles, financial dignity training, credit education, credit repair, and the procurement of financial resources for DeKalb residents affected by the COVID-19 pandemic who wish to start small businesses, stabilize an existing business, or grow and expand an existing business.

## **RECOMMENDATION:**

To approve a resolution to appropriate Federal Coronavirus Relief Fund proceeds assigned to POETA Account #105424.63258.521209.01.07.602313, reserved for District 7 appropriations for the purposes of economic recovery, small business development and youth entrepreneurship to individuals in DeKalb affected by the COVID-19 pandemic and other purposes.

**A RESOLUTION TO APPROPRIATE FEDERAL CORONAVIRUS RELIEF FUND PROCEEDS ASSIGNED TO GRANT FUND #258, RESERVED FOR DISTRICT 7 APPROPRIATIONS TO OPERATION HOPE FOR THE PURPOSE OF DEVELOPING AN ENTREPRENEURSHIP INCUBATOR TO PROVIDE EDUCATION ON SMALL BUSINESS DEVELOPMENT TO ADULTS AND YOUTH AFFECTED BY THE COVID-19 PANDEMIC WHO WISH TO START A SMALL BUSINESS, STABILIZE AN EXISTING BUSINESS, OR GROW AND EXPAND AN EXISTING BUSINESS**

**WHEREAS**, On March 27, 2020 the US Government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for the purpose of providing fast and direct economic assistance for American workers and families, small businesses, and preserve jobs for American industries, and

**WHEREAS**, Under the CARES Act DeKalb County was awarded a federal grant of \$125,341,475.20 from the Coronavirus Relief Fund (CRF), and

**WHEREAS**, the county received \$125,341,475.20 on April 24, 2020 and,

**WHEREAS**, on May 12, 2020 the Governing Authority of DeKalb County, Georgia accepted \$125,341,475.20 in Federal COVID-19 CRF funds, assigned for accounting purposes to COVID-19 Grant Fund #258, reserved for appropriation; and

**WHEREAS**, eligible expenditures are substantially dedicated to mitigating or responding to the COVID-19 public health emergency and includes the provision of economic support as more fully described in Treasury Department Guidance dated April 22, 2020 and subsequently updated, and

**WHEREAS**, the Governing Authority of DeKalb County desires to make CRF funding available for the purpose of economic recovery, business stabilization, maintaining food security, assistance with rent/mortgage/utilities, and virtual learning assistance for students and the community at large who have been severely impacted by the COVID-19 pandemic.

**WHEREAS**, DeKalb County is served by Community Based Organizations and Not for Profits with a mission and experience in accomplishing the above referenced objectives using private and public funds, and

**NOW BE IT THEREFORE RESOLVED**, the 2020 DeKalb County Budget is amended to appropriate from Grant Fund #285, to Operation HOPE, grant funds in the amount of \$350,000 to provide entrepreneurial training to aid in economic recovery and small business development within DeKalb County, as in set forth in Appendix A, from the effects of the Covid-19 crisis, consistent with Federal regulation, and

**BE IT FURTHER RESOLVED**, Operation HOPE must **SIGN A MEMORANDUM OF AGREEMENT WHICH INCLUDES** a budget or list of expenses that comply with the CARES Act prior to the release of funds from DeKalb to the Not for Profit. The budget or list of

expenses must be provided to the District 7 Commissioner and the COO for review and approval prior to the release of funds to the Not for Profit. Furthermore, this list must be provided to the Commissioner and COO by October 15th or the funds may be reprogrammed, and

**BE IT FURTHER RESOLVED**, the Governing Authority of DeKalb County directs the COO/Executive Assistant to create a standard report for the Not for Profit to use to report back their qualified expenditures for the purpose of maintaining regulatory compliance with the CARES Act, and

**BE IT FURTHER RESOLVED**, Sub-recipients are required to submit quarterly Financial Status Reports to Finance-Capital & Grants. The FSR with the detailed COVID-19 related expenditures will be submitted to the U.S. Department of Treasury. All documents should include sub-recipients EIN# or DUNS# and will be subject to Suspension and Debarment verification.

**ADOPTED** by the DeKalb County Board of Commissioners, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
STEVE BRADSHAW  
Presiding Officer  
Board of Commissioners  
DeKalb County, Georgia

**APPROVED** by the Chief Executive Officer of DeKalb County, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
MICHAEL L. THURMOND  
Chief Executive Officer  
DeKalb County, Georgia

**ATTEST:**

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BARBARA SANDERS-NORWOOD, CCC, CMC  
Clerk of the  
Board of Commissioners and  
Chief Executive Officer

**APPROVED AS TO FORM:**

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VIVIANE H. ERNSTES  
County Attorney

## APPENDIX A

**Area of Need:** According to data from the U.S. Bureau of Labor Statistics, about 20% of U.S. **small businesses fail** within the **first year**. By the end of their fifth **year**, roughly 50% have faltered. At the core of small business failure is a lack of mentorship and sound business principles. As COVID-19 shut down many service-related industries, many businesses struggle to move forward. This struggle coupled with a lack of jobs for both adults and youth has caused many to consider entrepreneurship strategies, creating a need for entrepreneurship training and ongoing entrepreneurial training.

During the summer of 2020, Dekalb County faced an issue as did most metro Atlanta communities - youth selling water at intersections and highway exit ramps. Many voiced concerns for their safety and communities' safety. These young entrepreneurs are employing American capitalism at its most basic: they seek to provide an essential product that is low-cost and in high demand. Most are from poor homes with a whole litany of struggles. The AJC reported several COVID-19 related reasons for their increased presence on the streets and exit ramps:

1. No summer jobs or sports programs are available.
2. They feel the pinch from the recession.
3. The pandemic cooped them up and then pushed them to the streets.

The pandemic and economic crisis has disproportionality impacted minority and low to moderate income communities. Community leaders and nonprofits must create new and innovative responses during these historical times.

**Proposal:** Through CARES Act funding, Operation HOPE will implement the Banking On Our Future (BOOF) DeKalb youth initiative to create young entrepreneurs. By providing an engaging entrepreneurial curriculum in a structured format for DeKalb's young citizens, Operation HOPE can guide young minds and develop entrepreneurial spirits. BOOF participants will earn a minimum wage while participating in the program. The curriculum will be technology driven, where laptops will be provided to all program participants.

Operation HOPE will enhance its existing Youth Programming in Dekalb County where students can gain practical, hands-on business experience while earning a minimum wage. The program will remain virtual until the CDC and local guidelines allow for in person instruction at which time the program will take-on a hybrid learning approach.

### **Phase 1 - Virtual**

Students will participate in the HOPE Business in a Box Academy curriculum on a virtual platform. This will be self-guided by the students or incorporated into classroom time. Students receive peer feedback on their work and have the ability to attend small group sessions on Zoom with a HOPE Corps mentor for added learning and guidance through the entrepreneurship process.

## **Phase 2 - In-Person**

The curriculum includes:

- Basics of Business
- Developing Your Business Idea
- Developing a Financial Plan for your Business
- Communication and Public Speaking Skills

When youth participants finish the curriculum, they will pitch their business idea to a panel of Volunteer Pitch Judges selected from the community. Winners will create an official business plan and work towards their business launch with the help of a HOPE Corps Mentor. With this opportunity, students can qualify for a start-up grant of up to \$1,000 to support their business. They will also serve on the on Advisory Board to the next class of program participants.

**Requested Funding:** \$350,000

**Timeline:** The BOOF DeKalb program will begin November 2020 and end January 2021. All requested funding will be both allocated and expended by 12/31/2020.

### **Program Expenses:**

- Operation HOPE's Youth Program Manager's personnel expenses, to include salary, fringe benefits, and mileage.
- Securing technology for both program delivery and youth access (laptops, hotspots, Zoom accounts, etc.).
- Location preparation expenses.
- Program materials.
- Enhancements to HOPE's digital delivery programs.
- BOOF Youth program participant wages.