

RESOLUTION NO. 2020-189

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
ESTABLISHING THE CITY OF ELK GROVE COVID-19 SMALL BUSINESS
RECOVERY GRANT PROGRAM**

WHEREAS, the COVID-19 pandemic has had a significant negative financial effect on many of Elk Grove's small businesses; and

WHEREAS, on July 22, 2020, by resolution, the City Council established a budget for funding allocated to the City from the California Department of Finance in accordance with the State of California Budget Act of 2020 and the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and amended the Fiscal Year 2019-2020 and Fiscal Year 2020-2021 City Budget to include \$750,000 for small business grants to assist small businesses who have been negatively impacted economically by the COVID-19 pandemic and directed City staff to return to Council with such a program for its consideration; and

WHEREAS, on this date staff presented to the City Council a recommendation to consider the creation of the City of Elk Grove COVID-19 Small Business Recovery Grant Program ("Program").

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby establishes the City of Elk Grove COVID-19 Small Business Recovery Grant Program as detailed in the City of Elk Grove COVID-19 Small Business Recovery Grant Program Policies, Procedures, and Guidelines ("Guidelines"), attached hereto as Exhibit A and incorporated herein by reference, and authorizes the City Manager to implement the Program consistent with the attached Guidelines.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 12th day of August 2020



STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

City of Elk Grove COVID-19 Small Business Recovery Grant Program Policies, Procedures, and Guidelines

Program Overview

To support small businesses in Elk Grove experiencing negative financial impacts of COVID-19, the City of Elk Grove has created the “COVID-19 Small Business Recovery Grant Program” (hereafter, the “Program”) to provide funding to reimburse small businesses for costs associated with operational impacts of the Coronavirus pandemic and to support on-going business operations and recovery.

The Program provides grants up to \$25,000 to certain eligible businesses. There is a limited allocation of funds available for the Program; therefore, not all eligible businesses can be assisted. Grants will be made based on a random drawing of all eligible businesses at the funding allocation levels specified below. The allocation, amount, and making of grants will be solely within the City’s discretion.

Business Eligibility

A business must meet all of the following criteria to be eligible to receive a grant:

- Is an existing for-profit business that had not more than 20 full-time equivalent employees (“FTEs”) as of December 31, 2019. An FTE is defined as an employee who regularly works at least 2,080 hours per year. Part-time employees can be considered an FTE employee for purposes of this Program (for example, two part-time employees who regularly work 1,040 hours per year can be converted to one FTE and identified as one FTE in the Program application). A business is defined as a sole proprietorship, a partnership, a corporation, a limited liability company, or other lawful business entity engaged in for-profit operations.
- Is currently physically located within the boundaries of the City of Elk Grove (including home-based businesses) and which provides goods and services within the boundaries of Elk Grove.
- Was in business on March 1, 2019 and has been in continuous operation since, or has been operating continuously since March 1, 2019 until closed due to COVID-19.
- If not currently operating due to COVID-19, the business plans to reopen as soon as possible.
- Had less than \$3 million in gross annual business revenue in calendar year 2019.
- For businesses with multiple locations, only employment and revenue figures for the Elk Grove location(s) can be used to qualify for a grant under the Program, and all grant funds received must be used only to support Elk Grove business operations. Multiple locations within Elk Grove operating under a single business entity will be considered one business for purposes of the Program.
- Experienced a loss of business revenue of more than 25% for the months of March, April, May, and June 2020 (in the aggregate) compared to the same period in 2019, and the loss of revenue was directly related to COVID-19 due to required business closures, voluntary COVID-19 business closures to protect employees or customers, or decreased customer demand due to COVID-19 resulting in loss of business revenue.
- Has not previously been granted or is planned to be granted City, State, or Federal financial assistance due to COVID-19 (for example, through the City’s Great Plates Delivered or Lift Investing programs, or has received and not returned funds from the SBA’s Paycheck Protection Program).

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- Is in good standing with the City of Elk Grove (e.g., possess a valid business license and certificate of occupancy where applicable, is in compliance with all applicable zoning and permit requirements, is current on all City bills and obligations, and is not subject to any liens or judgments by the City related to the business).
- Is in compliance with all City, State, and Federal laws and regulations related to the operation of the business.

Funding Allocation Levels

Grant amounts to eligible businesses will be determined as follows:

- Businesses with 1 to 2 FTEs may receive up to \$1,250 per FTE up to a maximum total grant of \$2,500. 25% of total funding is set aside for businesses in this category.
- Businesses with 3 to 10 FTEs may receive up to \$1,250 per FTE up to a maximum total grant of \$12,500. 25% of total funding allocation is set aside for businesses in this category.
- Businesses with 11 to 20 FTEs may receive up to \$1,250 per FTE up to a maximum total grant of \$25,000. 50% of total funding allocation is set aside for businesses in this category.
- Business owner(s) may count as an employee if he/she works hours equivalent to an FTE employee and is paid for his/her work by the company.

Use of Funds

Grant funds can be used to offset or reimburse the business for costs related to the negative impacts of COVID-19, including:

- General business operations.
- Payroll expenses.
- Supplier payments.
- Rent, lease, or mortgage payments for business real or personal property.
- Personal Protective Equipment (PPE) and/or sanitation supplies and equipment.

Application Process

A seven calendar day application period will be established which will commence on a Monday at 9 AM (the exact date of which will be determined and broadly publicized), and will close the following Sunday, at 5 PM. All applications must be submitted electronically via the City's online application portal which will be established at www.elkgrovecity.org/covid19biz. The City will not accept applications in any other manner and will not accept applications after the application period closes.

Application Review and Approval Process

Grants to eligible businesses will be made based on funding availability and eligibility under and adherence to these Program Policies, Procedures, and Guidelines. All completed applications received will be screened by City staff to verify adherence to the Program Policies, Procedures, and Guidelines. All businesses deemed eligible after screening will be entered into a random drawing of all those eligible businesses within their funding allocation level. All businesses selected during the random drawing will

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be notified and offered a grant based on the stated Funding Allocations until all initial funding is exhausted. If additional funding becomes available for the Program, this process may be repeated. The City Manager or his/her designee will make all final decisions on Program eligibility and adherence and any related interpretations necessary to make a grant decision.

Affidavit, Waiver, and Release Form

All businesses offered a grant who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct, and can be used as admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

Payment Method

Grant payments will be made by electronic deposit to a US based bank account.

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2020-189**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on August 12, 2020 by the following vote:

AYES: COUNCILMEMBERS: *Ly, Detrick, Hume, Nguyen, Suen*

NOES: COUNCILMEMBERS: *None*

ABSTAIN: COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*



**Jason Lindgren, City Clerk
City of Elk Grove, California**