

# City of Los Banos

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## COVID-19 SMALL BUSINESS ASSISTANCE PROGRAM GUIDELINES

October 14, 2020

## **BACKGROUND**

On March 17, 2020, the City of Los Banos proclaimed a local emergency due to the rising cases of COVID-19 throughout California, which was later ratified by the City Council on March 18, 2020. Since that time, the severity of the local emergency has increased daily, with additional reported cases of COVID-19 infections and related deaths in Merced County, all areas of California, the U.S., and throughout the world. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all California residents to stay at home, except as needed to maintain the continuity of operations in infrastructure sectors critical to protect the health and well-being of all Californians.

With the COVID-19 emergency, many small businesses nationwide are experiencing economic hardship as a direct result of the public health measure taken to minimize the public's exposure to the virus. These measures, some of which are government-mandated, are being implemented nationwide and include the closures of restaurants, bars, gyms, and personal care services such as nail and hair salons. In addition, based on the advice of public health officials, other measures, such as keeping a safe distance from others or even stay-at-home orders, are being implemented, resulting in a dramatic decrease in economic activity as the public avoids commercial centers, retail stores, and other businesses.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. Funding is designated for emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. The City of Los Banos is eligible to receive \$517,629 in CARES Act funding, which will be utilized in accordance with the Council approved City of Los Banos CARES Act Funding Plan. The plan earmarks \$150,000 for community support, including \$50,000 to support small businesses impacted by the COVID-19 pandemic.

The City intends to provide this support to small business in the form of grants, up to \$5,000 per small business with twenty or fewer full time employees, for the reimbursement of eligible COVID-19 related operating expenses and to cover expenses related to implementing COVID-19 health and safety measures within business. The maximum grant award will be calculated based on the business' number of full time employees multiplied by \$250.

## **GRANT PROGRAM GUIDELINES**

The following are the City of Los Banos COVID-19 Business Assistance Program guidelines.

### **PURPOSE**

The intent of the City of Los Banos COVID-19 Business Assistance Program is to provide local small businesses that have experienced a loss in revenue due to COVID-19 with financial assistance for the reimbursement of eligible COVID-19 related operating expenses and to cover expenses related to implementing COVID-19 health and safety measure with business.

### **ELIGIBLE USES**

Funding may be used to cover the following eligible business expenses incurred between March 19, 2020 and the date of application:

- Rent/Lease costs: Unfunded expenditures for rent/lease costs realized during the required closure of a small business are an eligible use of grant funds.
- Utility costs: Delinquent utility bills on business property.

- Inventory or supplies required to safely reopen the business: Personal protective equipment, unfunded expenditures for the costs related to the reconfiguring of workspaces to accommodate social distancing, disinfectants, sanitizers, and expenditures to adapt spaces for outdoor services/dining.

#### **ELIGIBILITY REQUIREMENTS**

1. Applicants shall be a:
  - a. For-profit business physically located, operating, and headquarter in the City of Los Banos with a demonstrated economic need and negatively affected by COVID-19. For-profit applicants must attest to a loss of net revenue as a result of COVID-19 pandemic.
  - b. Non-profit business physically located, operating, and headquartered in the City of Los Banos with a demonstrated economic need and negatively affected by COVID-19.
2. Business must have 20 full-time employees or fewer. Self-employed business owners are eligible.
3. Applicants must demonstrate that the business has been operating for at least two full years prior to March 19, 2020 (business license, utility bill, lease agreement).
4. Applicants must have an active Business License in the City of Los Banos and is in good standing.
5. Applications for businesses who have not received SBA Paycheck Protection Program (PPP), a SBA Economic Injury Disaster Loan (EIDL), or other COVID-19 related grants or loan will be prioritized.
6. Selected businesses will be required to sign a reporting agreement to be carried out throughout the term of the grant.
7. Applications must submit a current copy of its W-9 form.

#### **GRANT AWARD AND ADMINISTRATION**

1. The Small Business Grant Program will be administered by the City of Los Banos.
2. Grants will be allocated in amounts up to \$5,000 per small business as defined.
3. Grants will be limited to one (1) per small business as defined.
- 4. Applications will be accepted through October 30, 2020.**
5. Eligible grant recipients will be awarded on a first come, first served basis. Submission of an incomplete or inaccurate application may result in ineligibility for program funding.

#### **REPORTING REQUIREMENTS**

1. All eligible expenses and proof of payments must be reported to the City by October 30, 2020.