



TOWN OF FAIRFAX

STAFF REPORT

May 6, 2020

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager

SUBJECT: Approve creation of Fairfax small business relief program due to the economic impact of COVID-19

RECOMMENDATION

Authorize the Town Manager to create a business relief program per the attached guidelines, and appropriate funding from General Fund reserves.

DISCUSSION

At the April 15th meeting, the Council discussed its interest in developing a business relief program similar to the San Rafael business program. Staff indicated the County of Marin provided matching funds to San Rafael. The County reports the minimum match requirement is 3 to 1 with a maximum amount of \$7,500 available to Fairfax, which is based on population. In order to meet the requirement, the Town would need to commit a minimum of \$22,500 toward a program. The County indicates that the funding can either be used for direct financial assistance or to fund a program which benefits businesses such marketing or website upgrades. The Town would need to justify the public benefit as part of its request to the County.

The total available for a program would \$30,000, unless the Town wants to allocate more funding. A business relief program would allow small businesses to apply for mini grants for up to a set amount established by the Town Council (e.g., \$1,000-\$2,000) to help pay for operational costs associated with their business that has been negatively impacted by the COVID-19 pandemic and shelter-in-place mandate. In comparison, the San Rafael program awards grants up to \$5,000.

To be eligible for the Fairfax Small Business COVID-19 Disaster Relief Fund, the small business must:

- Operate in Fairfax under a current, appropriate Town business license (non-profits are not eligible as other funds have been made available)
- Have fewer than 26 employees
- Demonstrate a loss of 40% or more of gross revenues
- Have a storefront operation in Fairfax
- Have less than \$1M in gross revenues in the prior year from operations within Fairfax
- Have been in operation for at least one year.

We would need to create a Grant Selection Committee to review the applications and evaluate request per the criteria, such as the amount and/or percentage of revenue loss, the income level of the business owner, how long the business has been operating in Fairfax, and their ability to re-open their business after the shelter-in-place orders are lifted. The Grant Selection Committee members cannot apply for the program and must sign conflict of interest waivers. The Selection Committee would consist of Town staff and 2-4 members of the business community representing different interests such as banking, accounting, or general small business. Depending on the demand for the grant, the Selection Committee may not be able to award grants to all applicants.

Staff recommends that we contract with a non-profit fiscal sponsor to issue the checks and create an opportunity for the public to make tax-deductible donations to the business relief fund. There would be a reasonable administrative fee. Both San Rafael and Novato use a similar structure. That being said, any program adopted by the Town would be on a much lower scale than San Rafael and Novato because we don't have the same resources.

The Town's approach to date has been to financially assist the Chamber of Commerce with website modifications/upgrades to better publicize to the community which businesses are open during the SIP order. Given our limited resources, this may be a better use of funds as such a program would create an on-going benefit for those businesses that re-open. A key policy consideration for the Council is to determine what is the purpose of the program: Is it to ensure a business can reopen and stay in business? Or, if funding is available, should all applicants receive it?

FISCAL IMPACT

To be determined

ATTACHMENT

Draft Program Guidelines

DRAFT PRELIMINARY PROGRAM GUIDELINES AND APPLICATION

The grant fund will allow small businesses to apply for mini grants in amounts up to \$____to help pay for operational costs associated with their business that has been negatively impacted by the COVID-19 pandemic and shelter in place mandate. Applications are due May __, 2020.

To be eligible for the Fairfax Small Business COVID-19 Disaster Relief Fund, the small business must:

- Operate in Fairfax under a current, appropriate Town business license (non-profits are not eligible)
- Have fewer than 26 employees
- Have a storefront operation in Fairfax
- Demonstrate a loss of 40% or more of gross revenues
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- Have been in operation for at least one year.

Supporting documents include:

- Internal Revenue Service (IRS) Form W-9
- Recent Tax Returns
- Bank Statements
- Current Balance Sheet Applications will be processed in both order of receipt of application and submission of all required documents.

Criteria:

The Grant Selection Committee will be reviewing the amount and/or percentage of revenue loss, the income level of the business owner, how long the business has been operating in Fairfax and its ability to re-open their business after the shelter-in-place orders are lifted. The grants will be awarded based on need.

Note: The Grant Selection Committee members cannot apply for the program and will sign conflict of interest waivers. The Selection Committee will consist of town staff and 2-4 members of the business community representing different interest such as banking, accounting, general small business.

APPLICATION QUESTIONS

Legal Name (Entity Name or First Name, Last Name, if Individual) *

Business Name or DBA *

Business Address *

Mailing Address

Contact Phone Number

Contact Phone Number

E-mail

Business Website

Federal Employment Identification Number (FEIN), Social Security Number (SSN) or Tax Identification Number (TIN) *

Town of Fairfax Business License # *

Enter your Town of Fairfax Business License number.

BUSINESS INFORMATION

What best describes your industry sector? *

Type of space occupied *

Please describe the type of space your business is located in.

How long has your business been continuously operating in the Town of Fairfax? *

2019 Gross Revenue *

Do you own or lease the primary space where your business operates? *

Monthly rent or mortgage payment *

Number of Full-time or Full-time Equivalent Employees, not including the business owner *

Ownership *

COVID-19 IMPACT

Please provide a brief narrative of the impact of COVID-19 has had on your business.

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Limit: 500 words

What were your projected Gross Revenues for March 2020?*

What were your actual Gross Revenues in March 2020? *

Please provide any additional documentation of your loss of revenue

Acceptable file types: pdf, doc, docx, txt, rtf, jpg, jpeg, gif, tif, tiff, png, wpf, odt, wpd, svg, csv.

Choose Files

You can use a balance sheet, P&L statement, receipts, CPA document, or other financial records.

Have you applied for State and/or Federal Funds through either CARES act, PPP or EIDL (economic injury disaster loan)?

- Yes
- No

Do you have written sick-leave policies in place to assist workers impacted by the COVID-19 pandemic? *

- Yes
- No

If yes, please upload your policies in the area below

Use of Funds: Explain how you will use the Business Continuity Grant.

Use of Funds: Explain how you will use the Disaster Relief Grant. *

Limit: 500 words

CERTIFICATIONS

CERTIFICATIONS - Must check every box to be eligible for funding *

- I confirm that my business is engaged in activities that are regulated by the Town of Fairfax and I/we have a license/permit associated to that regulation
- I certify that my revenue has declined by 40% or more as a result of COVID-19
- I have attached a completed and signed IRS Form W-9 form
- I agree to provide documentation to help verify the economic hardship suffered as a result of the COVID-19, including tax returns, financial statements, and other financial data.
- I agree to document and report economic impact achieved as a result of the program, including but not limited to, jobs created, jobs retained, increased sales, and access to capital.
- I hereby certify that the information provided, contained herein and attached hereto is accurate and correct to the best of my knowledge.

APPLICANT CONFIRMATION - Please type your name to certify that the statements above are true.*

Note: Information submitted will remain confidential to the extent allowed under the Public Records Act.