



## Staff Report

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Sean Rabé, Town Manager  
**DATE:** September 8, 2020  
**RE:** Establishment of Loomis Local Business COVID-19 Grant Program

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### **Recommendation**

Staff recommends the Town Council adopt the attached resolution authorizing the creation of the Loomis Local Business COVID-19 Grant Program, to be funded by the Town's CARES Act funding, and authorize the Town manager to execute grant agreements with approved Loomis businesses.

### **Issue Statement and Discussion**

In response to the COVID-19 public health and economic crisis throughout the country, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020. The CARES Act included a \$2 trillion-dollar economic relief package with approximately \$150 billion dollars of Coronavirus Relief Fund (CRF) monies directed at States, local governments, and tribal entities for economic and disaster relief.

The Town's portion of CARES Act funding is \$85,047. While some recent Town expenses would qualify for CARES Act reimbursement (tables and chairs at the Train Depot, for example), Staff is recommending the Town's CARES Act allotment be designated solely for the Town's local businesses that have been impacted by COVID-19.

Staff recommends the establishment of a grant program to assist businesses in Town. The program would allow for grants of up to \$2,500 to be approved by the Town Manager (with concurrence of the Finance Director, Mayor and President of the Loomis Basin Chamber of Commerce).

Eligible activities for the use of funds should be used to cover fixed expenses for the business.

Per the CARES Act, funds must be spent on expenses that occurred as a result of the COVID-19 pandemic and shutdowns OR that are unpaid as a result of economic hardship imposed by business-related mandated shutdowns. Examples include:

- Rent
- Utilities
- Payroll
- Marketing
- Personal Protective Equipment (PPE)/cleaning and disinfecting supplies/inventory/services
- Technology (software/licensing/equipment) to automate systems or to allow for telecommute activities of employees
- Furniture, equipment, and supplies for expanded outdoor activities (dining/retail)

During the application process, grantees will be asked to verify that funds will be used for eligible purposes.

Eligibility criteria for the program is presented in Attachment B. Key eligibility requirements (many of which are prescribed by the CARES Act legislation or are similar to Placer County's grant criteria) include the following:

- The business is located in the Town of Loomis boundaries
- The business was operating with an active Loomis business license on or before March 1, 2020
- The business had total annual gross revenue between \$25,000 and \$2 million in 2019. For new businesses established on or after January 1, 2020 but before March 1, 2020, total projected revenue between January 1, 2020 and July 31, 2020 must be between \$25,000 and \$2 million.
- The business has 30 or fewer employees.
- The business has not received a Paycheck Protection Program (PPP) loan or any other local, state or federal business assistance program for similar expenses.

The U.S. Department of Treasury has issued guidance on the use of funds. The following is a nonexclusive list of expenditures that are considered ineligible expenses payable from the grant amount:

- Damages covered by insurance.
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay.
- Legal settlements.

Staff recommends the program application period begin on September 11, 2020 and run through September 30, 2020. Applications will be reviewed and approved by the Town Manager, with concurrence of the Town Finance Director, Mayor and Loomis Chamber of Commerce Board President (Ryan Demartini). Funding will occur within the first week of October. Staff will provide a report to Council at the October 13 Council meeting, including all approved grants and any unexpended funding.

Businesses will be required to certify to the following as part of their application for funding:

- Applicant has the authority to apply for this grant on behalf of the business described herein.
- Business agrees to provide the Town additional documentation for audit and reporting purposes and to assess the benefits derived from participating in the program. Such information may include, but is not limited to, profit loss statements, payroll records, and income certifications of new or retained employees. Business authorizes the release of said information to local, State and/or Federal agencies and to Town staff within five years of this date.
- Because this grant program is federally-funded, it is a felony for any person to knowingly and willingly make false or fraudulent statement on this application.
- Business agrees, that if awarded, the application becomes a binding contract between the business and the Town of Loomis. Any violation of the program guidelines will result in the business promptly repaying the Town any amount issued pursuant to this program.
- Business understands the Town reserves the right to reject any and all applications.

Staff is prepared to answer any questions you may have.

#### **CEQA Requirements**

There are no CEQA implications associated with the recommended action.

#### **Financial and/or Policy Implications**

The program is fully funded through the CARES Act.

#### **Attachments**

A. Resolution

**TOWN OF LOOMIS**

RESOLUTION NO. 20 - \_\_

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING THE ESTABLISHMENT OF THE LOOMIS LOCAL BUSINESS COVID-19 GRANT PROGRAM**

WHEREAS, the Town of Loomis will receive \$85,047 in CARES Act funding, and;

WHEREAS, the Town of Loomis has many local businesses that have been hurt by the ongoing COVID-19 pandemic, and;

WHEREAS, the Town of Loomis seeks to help our local businesses as much as possible during these trying times, and;

WHEREAS, the available CARES Act funding can be used to assist local businesses offset the impacts of the COVID-19 pandemic on their operations.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that the Loomis Local Business COVID-19 Grant Program is hereby established, with funding of \$85,047 from the Town's CARES Act allocation.

BE IT FURTHER RESOLVED that Loomis Local Business COVID-19 Grant Program parameters are as set forth in Exhibit A of this resolution.

PASSED AND ADOPTED this 8<sup>th</sup> day of September, 2020 by the following vote:

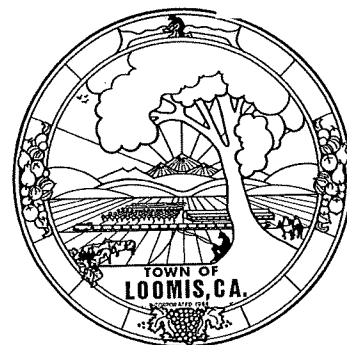
- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

# TOWN OF LOOMIS



## LOOMIS LOCAL BUSINESS GRANT PROGRAM

### ELIGIBILITY CRITERIA AND ELIGIBLE EXPENSES

The Town of Loomis has set aside its full CARES Act allocation of \$85,047,000 into a Loomis Local Business Grant Program to assist local businesses impacted by the COVID-19 pandemic.

The program provides \$2,500 grants to Loomis businesses to help offset fixed expenses for businesses in Town. These grants are approved by the Town Manager (with concurrence of the Finance Director, Mayor and President of the Loomis Basin Chamber of Commerce).

#### GRANT PERIOD

The application period begins September 11, 2020, and runs through September 30, 2020. Late applications will not be accepted. Funding will occur within the first week of October. A report to the Town Council will be provided at the October 13, 2020 Council meeting that will detail how funds have been expended and whether or not the Town has unspent funds.

#### ELIGIBLE EXPENSES

Per the CARES Act, funds must be spent on expenses that occurred as a result of the COVID-19 pandemic and shutdowns OR that are unpaid as a result of economic hardship imposed by business-related mandated shutdowns. Examples include:

- Rent
- Utilities
- Payroll
- Marketing
- Personal Protective Equipment (PPE)/cleaning and disinfecting supplies/inventory/services
- Technology (software/licensing/equipment) to automate systems or to allow for telecommute activities of employees
- Furniture, equipment, and supplies for expanded outdoor activities (dining/retail)

#### INELIGIBLE EXPENSES

The U.S. Department of Treasury has issued guidance on the use of funds. The following is a nonexclusive list of expenditures that are considered ineligible expenses payable from the grant amount:

- Damages covered by insurance.
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

- Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay.
- Legal settlements.

### **ELIGIBLE PARTICIPANTS**

Businesses within the Town of Loomis Town limits are eligible if they meet the following requirements:

- The business is located in the Town of Loomis boundaries
- The business was operating with an active Loomis business license on or before March 1, 2020
- The business had total annual gross revenue between \$25,000 and \$2 million in 2019. For new businesses established on or after January 1, 2020 but before March 1, 2020, total projected revenue between January 1, 2020 and July 31, 2020 must be between \$25,000 and \$2 million.
- The business has 30 or fewer employees.
- The business has not received a Paycheck Protection Program (PPP) loan or any other local, state or federal business assistance program for similar expenses.

Businesses are required to certify to the following as part of their application for funding (see application):

- Applicant has the authority to apply for this grant on behalf of the business described herein.
- Business agrees to provide the Town additional documentation for audit and reporting purposes and to assess the benefits derived from participating in the program. Such information may include, but is not limited to, profit loss statements, payroll records, and income certifications of new or retained employees. Business authorizes the release of said information to local, State and/or Federal agencies and to Town staff within five years of this date.
- Because this grant program is federally-funded, it is a felony for any person to knowingly and willingly make false or fraudulent statement on this application.
- Business agrees, that if awarded, the application becomes a binding contract between the business and the Town of Loomis. Any violation of the program guidelines will result in the business promptly repaying the Town any amount issued pursuant to this program.
- Business understands the Town reserves the right to reject any and all applications.

### **INELIGIBLE PARTICIPANTS**

Businesses that meet **ANY** of the following criteria are ineligible:

- Businesses with more than 30 employees.
- Businesses with less than \$25,000 in gross revenue for 2019.
- Businesses with more than \$2 million in gross revenue for 2019.
- Any business NOT in business as of March 1, 2020.
- Any business falling into the below categories:
  - Real estate agents and independent brokers
  - Independent vacation home businesses such as Airbnb or VRBO
  - Cannabis growers or related businesses

- Construction businesses, transportation businesses, online retail operations, and professional services.
- Financial businesses primarily engaged in the business of lending, such as banks, finance companies
- Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds
- Life insurance companies
- Businesses located in a foreign country (businesses in the U.S. owned by aliens may qualify)
- Pyramid sale distribution plans and multi-level marketing businesses
- Businesses engaged in any illegal activity
- Private clubs and businesses which limit the number of memberships for reasons other than capacity
- Government-owned entities (except for businesses owned or controlled by a Native American tribe)
- Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Loan packagers earning more than one third of their gross annual revenue from packaging SBA loans
- Businesses with an Associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude
- Businesses in which the Lender or CDC, or any of its Associates owns an equity interest
- Businesses presenting live performances of a prurient sexual nature
- Businesses deriving directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature
- Unless waived by SBA for good cause, businesses that have previously defaulted on a Federal loan or Federally assisted financing, resulting in the Federal government or any of its agencies or Departments sustaining a loss in any of its programs, and businesses owned or controlled by an applicant or any of its Associates which previously owned, operated, or controlled a business which defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal government or any of its agencies or Departments to sustain a loss in any of its programs. For purposes of this section, a compromise agreement shall also be considered a loss
- Businesses primarily engaged in political or lobbying activities

# LOOMIS LOCAL BUSINESS GRANT PROGRAM

APPLICANT INFORMATION	
APPLICANT NAME:	E-MAIL:
BUSINESS NAME:	
APPLICANT MAILING ADDRESS:	PHONE:
CITY, STATE, ZIP:	FAX:
BUSINESS INFORMATION	
SITE ADDRESS:	
CITY, STATE, ZIP:	TYPE OF BUSINESS?
GRANT REQUEST INFORMATION	
GRANT REQUEST AMOUNT: \$	
ANNUAL GROSS REVENUE FOR 2019:	
NUMBER OF EMPLOYEES:	
HAVE YOU RECEIVED A PPP LOAN OR ANY OTHER LOCAL, STATE OR FEDERAL BUSINESS ASSISTANCE PROGRAM FOR SIMILAR EXPENSES?	
DOES THE BUSINESS HAVE AN ACTIVE LOOMIS BUSINESS LICENSE AS OF MARCH 1, 2020?	
IS BUSINESS ELIGIBLE ACCORDING TO LIST ABOVE?	
PLEASE PROVIDE A COPY OF ONE OF THE FOLLOWING DOCUMENTS: <ul style="list-style-type: none"> <li>• RECENT PROFIT AND LOSS STATEMENT <i>OR</i></li> <li>• FRONT PAGE OF BUSINESS BANK STATEMENT <i>OR</i></li> <li>• BUSINESS TAX RETURN (SCHEDULE C, 990, ETC) <i>OR</i></li> <li>• COPY OF YOUR CURRENT BUSINESS LICENSE</li> </ul>	
PLEASE PROVIDE A COMPLETED W-9 FORM	
PLEASE PROVIDE A PHOTO OR SCANNED COPY OF YOUR ID, DRIVER'S LICENSE OR PASSPORT	

## FUNDING EXPLANATION

**IN THE SPACE BELOW PROVIDE A BRIEF DESCRIPTION OF HOW THE COVID-19 PANDEMIC AND SHUTDOWN HAVE IMPACTED YOUR BUSINESS (CLOSURES, LOST REVENUE, LAYOFFS, INABILITY TO MAKE RENT, ETC):**

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**PLEASE PROVIDE A BRIEF SUMMARY OF HOW GRANT FUNDS WILL BE USED, IF AWARDED:**



**CERTIFICATION OF APPLICANT**

The applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining a grant and is true and complete to the best of the applicant's knowledge and belief.

Applicant further certifies the following:

- Applicant has the authority to apply for this grant on behalf of the business described herein.
- Business agrees to provide the Town additional documentation for audit and reporting purposes and to assess the benefits derived from participating in the program. Such information may include, but is not limited to, profit loss statements, payroll records, and income certifications of new or retained employees. Business authorizes the release of said information to local, State and/or Federal agencies and to Town staff within five years of this date.
- Because this grant program is federally-funded, it is a felony for any person to knowingly and willingly make false or fraudulent statement on this application.
- Business agrees, that if awarded, the application becomes a binding contract between the business and the Town of Loomis. Any violation of the program guidelines will result in the business promptly repaying the Town any amount issued pursuant to this program.

**APPLICANT'S SIGNATURE:**

**DATE:**