



Staff Report

TO: Honorable Mayor and Members of the Town Council
FROM: Sean Rabé, Town Manager
DATE: November 10, 2020
RE: Loomis Local Business COVID-19 Grant Program Second Round Update

Recommendation

Receive and file this update on the Loomis Local Business COVID-19 Grant Program Second Round.

Issue Statement and Discussion

During the October 13 Council meeting, the Town Council approved a second round of the Loomis Local Business COVID-19 Grant Program, and authorized several changes to the program to reach additional businesses.

Those changes included the following:

1. Drop the minimum gross receipts level to \$18,000
2. Increase the maximum number of employees allowed for eligible businesses to 50
3. Increase the available grant amount to \$3,500, including increasing the awarded amount to the first-round applicants to the same \$3,500.

The second round of the grant period closed on October 30. With the above-listed changes implemented, the Town had \$32,547 in remaining grant funding – enough funding for nine additional grants.

The Town received applications from the following businesses:

- Gourmet Garage
- Loomis Basin Brewery
- Lorenzo's Restaurant
- Mr. Pickles
- Nakashima Barber Shop
- South Placer Heritage Foundation
- Ticket Chocolate
- Teeny Tots Therapy
- Woody's Market and Deli
- The Flower Farm
- Red's Bistro

The grant application from The Flower Farm does not meet the criteria set forth in the program because the business is not within the Town limits. As such, the Committee did not approve the grant application for the Flower Farm.

The remaining 10 grants were approved for funding by the Town Manager (with concurrence of the Finance Director, Mayor and President of the Loomis Basin Chamber of Commerce). It should be noted that the Town only had available funding for nine grants (plus a small remainder), but the Town received a total of 10 applications. The funding for the additional grant will come through the Town's Economic Development Department. This will result in the Economic Development Department supplementing the grant program by \$2,453.

The first round of the program was established at the September 8 Council meeting, The original program allowed for grants of up to \$2,500 for eligible activities covering fixed expenses for businesses located in Town that had been impacted by the COVID-19 pandemic.

Deadlines for the first round of grant applications were September 30. The Town received 15 grant applications, all of which were approved for funding by the Town Manager (with concurrence of the Finance Director, Mayor and President of the Loomis Basin Chamber of Commerce).

First round grantees were are as follows:

- Emma's Horse and Buggy
- Loomis Chinese Food
- Montray Property Management
- Eyechicks
- Loomis Nails
- Il Pizzaiolo
- Lotus Cleaning
- Jasmine Marshall Photography
- McLaughlin Studios
- Sierra Performing Arts
- Smog Busters
- Loomis Beauty Salon
- Modern Mountain Cabinetry
- Shenanigans
- Pizza Factory

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 was \$85,047. While some recent Town expenses would qualify for CARES Act reimbursement (tables and chairs at the Train Depot, for example), Staff recommended – and Council agreed – that the Town's CARES Act allotment should be designated solely for the Town's local businesses that have been impacted by COVID-19.

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 have been asked to verify that funds will be used for eligible purposes.

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.

CEQA Requirements

There are no CEQA implications associated with the recommended action.

Financial and/or Policy Implications

The program is funded through the CARES Act, with a \$2,453 supplement from the Economic Development Department.

Attachments

None.