RESOLUTION - ACTION REQUESTED 2020-429

MEETING: July 21, 2020

TO: The Board of Supervisors

FROM: Dallin Kimble, County Administrative Officer

RE: Safety and Freedom Enhancement Program

RECOMMENDATION AND JUSTIFICATION:
Approve the Safety and Freedom Enhancement (SAFE) Program and Application; and Authorize Staff to Administer the Program.

The Safety and Freedom Enhancement (SAFE) program would offer forgivable loans for up to 100% of local businesses' capital investment to comply with state and county officials' mandates and guidelines for reopening amid the COVID-19 pandemic. It is one of many efforts to partner with local businesses and provide needed support to get through a very difficult economic climate.

In response to the COVID-19 pandemic, state and county officials have issued mandates and guidelines for reopening various sectors of commerce and industry. Some of those guidelines require capital investment to update or install equipment to help slow the spread of COVID-19. Typical capital expenses for most local businesses to comply with stated guidelines range from $500 - $3,000.

Understanding that many businesses are already struggling to stay open, and in appreciation for those businesses that are partnering with us to stop the spread of COVID-19 in Mariposa County, staff has identified $78,000 that can be used to reimburse some of these expenses for local businesses. Staff is still looking for additional funds and will report to the Board if additional dollars may be used. Full details are included in the attached staff report.

Despite minimal policy or precedent for direct, disaster-related business expense reimbursements in Mariposa County, the Mariposa County Strategic Plan identifies collaboration, integrity, sustainability, transparency and excellence as guiding values to assist with the decision-making process. Collaboration includes "partner[ing] with our community" and the excellence value emphasizes "effective, efficient, equitable and citizen-focused services".

The SAFE program is an opportunity to partner with our community and provide relief for local citizens and constituents when they need it most. Accordingly, staff recommends approval of the SAFE program at this time.
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BACKGROUND AND HISTORY OF BOARD ACTIONS:
On July 7, 2020, the Board approved a transfer of revolving loan funds to program income within the Community Development Block Grant. The current program income reuse plan, which authorizes County use of funds for purposes including forgivable loans, was approved in 2016.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve. This program will not be made available to local businesses.

ATTACHMENTS:
SAFE Grant Program (PDF)
SAFE Grant Application (PDF)
Underwriting Services Agreement_SAFE (DOC)

RESULT:  ADOPTED [UNANIMOUS]
MOVER:  Merlin Jones, District II Supervisor
SECONDER: Marshall Long, District III Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
Situational Summary

The COVID-19 pandemic has swept the world and caused havoc on the global economy. On March 19, 2020, Governor Newsom enacted a SIP (Shelter in Place) order for the state of California, which closed down all non-essential businesses. The entire state was in containment and a travel ban was put into place, allowing only essential travel. As California succinctly flattened the curve, the governor discussed loosening restrictions. The state was initially in Phase 1, which only allowed grocery markets, gas stations and hardware stores to open fully. Restaurants were only allowed pickup, delivery and curbside delivery. On May 8th, the governor announced that the state would enter Phase 2, allowing retail stores to offer pickup and curbside delivery. Mariposa County applied for an attestation to Phase 2.5, allowing dine in service at restaurants with a limited capacity. The attestation was approved by the California Department of Health on May 13th and several restaurants quickly opened for dine in service.

As the state, and county, slowly prepares for reopening of the various business sectors, safety guidance has been created and issued to each sector. Mariposa County has conducted several GoTo meetings to discuss safety guidelines with county professionals available for questions. As county businesses become to open, government staff recognizes that there will be questions, challenges and costs associated with adhering to recommended guidelines.

Introduction

The County of Mariposa (“County”) is pleased to offer its local businesses an opportunity to apply for the SAFE program, which will provide reimbursements for COVID-related safety measurement purchases. The purpose of the business relief program is to assist Mariposa County businesses in meeting enhanced safety guidelines as outlined in the governor’s road map to reopening California.

The County realizes that the safety guidelines could come with an additional cost to the businesses, which many have experienced two months of lost revenue and out-of-pocket costs to create innovative solutions to stay in business. The SAFE Program could help alleviate the burden of the added costs to comply with safety guidance.

Program Summary

The SAFE Program will provide emergency relief to local businesses that need access to capital for compliance with state safety guidelines. The program would provide reimbursements for each business that is funded. The funding program would be “first come, first served” until funds are depleted, with each applicant submitting an application. The application will include a budget for the additional safety guidelines, and a business plan that outlines how the business plans to adhere to new social distancing practices and provide a safe environment inside their facility.

The funding will come from the County’s PI (Program Income) which has a balance of approximately $78,500.
Selection Process & Criteria

Projects will be reviewed by a committee based on the following criteria to determine, to the best of our knowledge, if requested funds will help the business meet a specific guideline required or recommended by the State or County in order to reopen:

1. The business followed the governor’s SIP orders and stay closed until it was permitted to open.
2. The business incurred costs to follow suggested state safety guidelines for their business sector.
3. The business is up-to-date with all required tax payments.
4. The business has a current FBN (Fictitious Business Name).
5. The business was open prior to the SIP order.

Eligibility

Applicants must meet the following criteria to be eligible for the SAFE program:

1. The business for which the grant is used must be located within Mariposa County and have a current FBN or prove that it is exempt from filing an FBN.
2. The business for which the grant is used must be current on all taxes including transient occupancy taxes due on or before May 1, 2020.
3. The applicant must be the owner or operator of the business.
4. Non-profits and home-based businesses are not eligible.

Guidelines

Grant awards are subject to the following:

1. This is an ongoing loan forgiveness program. Submission of invoices verifying work was completed to California State sector guidance according to appropriate industry is required for all reimbursements.
2. Projects must demonstrate that they assist a local business to complete safety measures necessary to reopen their businesses under the governor’s road map. This program is not intended to fund routine operations or purchases.
3. Applicants are responsible for submitting all appropriate documentation, including invoices and receipts for completed work, with their application. Only documented expenses may be reimbursed under this program.
4. Projects must comply with all local, state and federal law. If necessary, appropriate permits must be obtained prior to reimbursement. No reimbursement will be issued to businesses that are known to be operating contrary to state or county public health officers’ orders.
5. A completed application must be submitted electronically to tschiff@mariposacounty.org. No changes to the application are permitted after it has been submitted.
6. Application reviewers will respond to all complete applications within two business days. Approved applications will receive a check within two weeks of the date of approval.
7. Applicants will be reimbursed for expenses made to adhere to safety measures for the reopening of their business. Mariposa County reserves the right to adjust the program and its funding tiers and fund requests at its discretion.
8. This program will continue as long as funds are available unless suspended by the Mariposa County Board of Supervisors at its sole discretion. Additional funds may be leveraged, as needed.
SAFE Program Review

Overall Score: /100

Scoring Matrix

Confirmation #:

Business Name:

Reviewer’s Name: Date Reviewed:

Defined Scoring Criteria

1) Was the business essential or non-essential under the governor’s COVID-19 Shelter-In-Place Order?

☐ Yes This shows whether or not a business fell within the 16 critical infrastructure sectors to continue business operations or if they fell outside and were forced to shut down. Executive Order N-33-20 directed all residents to heed current State public health directives to stay home, except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as the State Public Health Officer designated as critical to protect health and well-being of all Californians. If the business was deemed essential, we will need a description of what the business did to comply with state health orders and how it maintained safety during the Shelter-in-Place order. We will also need to know what the business does to determine if it meets one of the 16 critical infrastructure sectors to be classified as essential and remain open during the SIP.

☐ No What phase was your business was allowed to reopen? ____________________________

If not currently permitted to reopen, which phase your business will be allowed to reopen? ____________________________

a. What preparations will your business make to follow the governor’s suggested guidelines for your sector? ____________________________

b. Did you attend the business sector GoTo meetings coordinated by Mariposa County?

☐ Yes ☐ No

c. Do you have a plan for reopening with new social distancing and safety guidelines in place? Please attach a copy of the plan.

2) If your business was non-essential under the governor’s SIP order, did you remain open or did you follow orders and close until permitted under appropriate phase?

If your business was non-essential and stayed open during the governor’s SIP order, you are not eligible for the grant. If your business opened prior to your permitted phase, you are not eligible for the grant.

5) What is the ability to pay for supplies to follow businesses new safety reopening plan?

Please provide a budget to meet the demands of your new safety reopening plan that follows the state’s recommended safety measures & guidelines for your business sector.

6) What is the business’ economic need for safety supplies for the next 30 days (total $ amount)
How much total money does the business need to stay meet the governor’s recommended guidelines for your business sector?

7) Explain the current economic impact to the business due to COVID-19/ Shelter-In-Place

Consumers are practicing social distancing to prevent the spread of COVID-19 and following recommendations for Shelter-in-Place, leaving their homes only for essential purchases and activities. Bars and restaurants are seeing business slow, hotels are experiencing cancellations, and layoffs are spread across industries. Change in daily function of businesses, such as restaurants now doing curbside pick-up, meaning less employees are needed daily. Sudden impact of COVID-19/Shelter-in-Place was not likely in their business plan/models, nor was the added expense of additional safety measures, hence importance of assistance during this time for these businesses.

8) Valid business FBN and proof of payment of taxes, including TOT

Business has been operating in Mariposa County before impact of COVID-19. Establish business stability in Mariposa County. Documentation: Proof of current FBN and current on all required taxes

9) Explain the intended use of the funding that may be provided by Mariposa County?

It is important that businesses have a safety plan in place for near and long-term future. The plan should follow California’s recommended guidelines for your business sector. Requesting information as to how grant funds will be spent gives the Scoring Committee an insight of the short-term planning process as well as an acknowledgement that the monies will not be misused. Documentation: Narrative

10) What is the ability to pay payroll or mortgage/ lease obligations and monthly bills while also paying for supplies to follow the necessary safety measures?

The Business has been paying mortgage/ lease obligations and monthly bills before the impact of COVID-19. Business has been stable before the impact of COVID-19, and is it able to continue to be viable during this crisis and adhere to recommended safety guidelines. Business proves the ability to continue to adhere to necessary safety measures. Documentation: Lease agreement and last three months receipts of utilities paid.
The SAFE (Safety & Freedom Enhancement) Program Application

Application period is scheduled to close on Wednesday, September 30, 2020, at 5:00PM PDT.

BUSINESS CONTACT INFORMATION

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

2) Business Name or DBA

3) List any DBA(s) Being Used.

4) Ownership Type (Sole Proprietor, Partnership, LLC, Etc.) *

5) List the names of All Owning Partners and/ or Board Members *

6) Physical Business Address *

7) Mailing Address *

8) Is the Mailing Address Home or Office? *

9) Applicant’s Name *

10) Applicant’s Relationship to the Business? *

11) Applicant’s Phone Number *

12) Applicant’s E-mail *

13) Business Phone Number *

14) Business E-mail *

15) Business Website
BUSINESS INFORMATION

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

17) What is the Business’ 8-Digit State Payroll/DE9(c) Number? *
(If Unknown, Call EDD at (888) 745-3886 to Obtain)

18) What Best Describes Your Industry Sector? *
Drop-down Menu:
- Restaurants (dine in, food truck)
- Fitness or Health Center (gyms, dance/karate studios, yoga centers)
- Entertainment Venue (banquet hall, movie theater, convention center)
- Personal Care/Grooming (spa, nail salon, beauty/barber shop)
- Retail Trade (clothing stores, vintage shops, specialty shops)
- Construction (remodeling, renovations, contractors)
- Other:

19) How Long Has Your Business Been Continuously Operating in Mariposa County? *

20) Is your Business Part of a Chain?* (More than 5 locations)

21) Is Your Business a Franchise? *

22) Has the Business Filed for Bankruptcy Within the Past 3 years? *

23) Does the Business Have Outstanding Liens or Judgements? *(Include UCC liens, Mechanics liens, Tax liens, etc.)
THE COVID-19 IMPACT

24) Is the Business Considered Essential or Non-Essential Per Governor Newsom’s Shelter-In-Place Order? *
(Review the Essential/Non-Essential Business List here: [https://covid19.ca.gov/stay-home-except-for-essential-needs/] )

25) Was the business open during the SiP order? *

26) What is the estimated cost to the business to adhere to recommended safety measures guidelines?*

27) What is the Business’ Projected Monthly Gross Revenue After March 31, 2020? *

28) What Monthly Non-Payroll Expenses is the Business Unable to Pay Due to the COVID-19 crisis? *

29) Please Describe How COVID-19 Has Impacted the Business. *
USE OF THE SAFE GRANT FUNDS

30) What is the Business’ Projected Monetary Need for safety measures? *

31) Explain How the Business Will Utilize the SAFE Grant. *

46) It is the intent of Mariposa County that this grant be used to follow all recommended safety measures and guidelines for the business sector. Please specify all purchases necessary to adhere to the recommended guidelines.*

SUPPORTING DOCUMENTATION

Please provide documentation which supports the business’ expenses. At a minimum, the following documents must be included:

- Copy of Current FBN
- Proof of Liability Insurance
- Proof of Workers Compensation Insurance
- 2019 P&L, Balance Sheet, CPA Documents, or Other Financial Records showing proof of business revenue
- 2020 P&L, Balance Sheet, CPA Documents, or Other Financial Records showing proof of business revenue
- 2019 Payroll documentation (IRS Form 941)
- 2020 Payroll documentation (IRS Form 941)
- Copies of current utility bills
- Copies of current lease/ mortgage

Additional documentation which may be required to verify your request:

- Any additional documentation needed to support the application
- Tax returns – IRS Form 4506-T (signed)
- Schedule of Payables
- Cash Flow Statements
- Debt Schedules

Acceptable file types: pdf, doc, docx, txt, rtf, jpg, jpeg, gif, tif, tiff, png, wmf, odt, wdp, svg, csv.
CERTIFICATIONS AND SIGNATURE

**Note:** All of the following statements must be checked in order to be considered for the SAFE Grant

☑️ I confirm that my business is engaged in activities that are regulated within Mariposa County and I/we have a permit associated to that regulation

☒ I acknowledge and agree that, to fullest extent permitted by law, I shall forever RELEASE, HOLD HARMLESS, DISCHARGE and AGREE TO DEFEND AND INDEMNIFY, the COUNTY of MARIPOSA, the Mariposa County Board of Supervisors, their officers, directors, all employees therein, attorneys, agents, volunteers, independent contractors, and any and all subcontractors, from any liabilities, claims, demands, or causes of action that they may hereafter have, without limitation, for personal, bodily, or mental injuries, property damages, economic losses, attorney’s fees, or any other type of injury or damage arising out, resulting from, or in connection with, this application.

☒ I agree to provide additional documentation upon request 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, supplies purchases and all additional expenses.

☒ I acknowledge that while the application period is scheduled to conclude at 5:00PM on June 30, 2020, Mariposa County, at its sole discretion, reserves the right to terminate the application submission and/ or processing period at an earlier date/ time depending on the number of applications received and overall available funding for the program.

☒ I hereby certify that the information provided, contained herein and attached hereto is accurate and correct to the best of my knowledge.

APPLICANT CONFIRMATION: I/We understand that any intentional or negligent representation(s) of the information contained on this form may result in civil liability and/or criminal liability and that any fraudulent claims made on this form may be grounds for prosecution under local, state, and federal law. I/We certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

**Applicant Name and Date**