RESOLUTION - ACTION REQUESTED 2020-630

MEETING: October 20, 2020

TO: The Board of Supervisors

FROM: Dallin Kimble, County Administrative Officer

RE: Approve $400,000 in Business Economic Recovery Grants and $200,000 in COVID Expenses Relief Grants

RECOMMENDATION AND JUSTIFICATION:
Approve Awarding Up to $400,000 in Business Economic Recovery Grant Funds to Small Businesses and $200,000 in COVID Expenses Relief Grant Funds; and Approve the Application and Utilization of the Economic Development Corporation of Mariposa County to Review Applications and Recommend Grant Awards.

Mariposa County is eligible to receive $1.842 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Federal guidelines for the use of CARES Act funding state that it can be used for “Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures ... Ensure the funds are specifically for COVID related impacts and needed to prevent significant damage to the local economy.”

Since the budget was approved, additional funding has been awarded to Mariposa County which will cover Environmental Health and Public Health net County costs, previously covered by General Purpose Revenue. These changes make it possible for the County to consider passing on $400,000 of the CARES Act funding received to small local businesses hit hard by the economic impacts of COVID19.

In addition, the California Department of Public Health (CDPH) awarded Mariposa County $200,000 to be made available to small, local businesses for reimbursement of costs associated with adherence to COVID19 mitigation protocols (e.g. cleaning supplies, outdoor shade structures, personal protective equipment, etc.).

The attached application allows businesses to apply for both funding sources with one application.

There are two other economic relief funding sources available to small local businesses currently. The Mariposa Community Foundation is offering grants for non-profit businesses. Mariposa County is offering forgivable loans (essentially grants) for small businesses using funding from the Safety And Freedom Enhancement Act.
Resolution - Action Requested 2020-630

are provided on the application if people want to apply for those grant funds as well.

With this board item, we are asking the Board to approve:

1. Grant funding be made available to local small businesses;

2. The application attached; and

3. The Economic Development Corporation of Mariposa County be the team to review applications and recommend grant awards.

Receipt of CARES Act funding is predicated on Mariposa County's successful attestation that we are following, and will continue to follow all current applicable Public Health guidelines with respect to mitigating the spread of COVID19. Therefore the grant funds awarded as a result of these grant programs will be predicated on a similar attestation from the businesses that receive awards.

Approved grant payments will be made on a monthly basis following the schedule in the attached application.

The budget impacts of this grant have been incorporated into the balancing adjustments to be presented to the Board for approval on October 27th, 2020.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
Resolution 2020-144: COVID-19 Health Emergency Declaration

Resolution 2020-243: Ratify a Letter of Support for CARES 4 Funding

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve and do not distribute these grant funds to local businesses in Mariposa County.

Approve the grants, but suggest different criteria for grant award distribution or different award amounts.

Approve the grant, but suggest a different review team composed of Mariposa County staff or a consulting firm (the costs for which would be taken from the total funds available to be distributed).

ATTACHMENTS:
Business Economic Recovery Grant Program Application (PDF)
Small Business Economic Recovery Grant Application (PDF)
Small Business Economic Recovery Grant Policy (PDF)
W-9 (PDF)
RESOLUTION - ACTION REQUESTED 2020-630

RESULT: ADOPTED [UNANIMOUS]
MOVER: Marshall Long, District III Supervisor
SECONDER: Rosemarie Smallcombe, District I Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
Mariposa County Small Business Economic Recovery Grant Policy

Situational Summary

The COVID-19 pandemic has swept the world and caused havoc on the global economy. On March 15, 2020, Governor Newsom enacted a 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 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. There is no doubt that county businesses have 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 a Small Business Economic Recovery Grant. The purpose of the grant program is to assist Mariposa County businesses in recovering net losses caused by the pandemic as well as to reimburse businesses for additional expenses associated with compliance to public health guidelines and requirements.

Program Summary

Funding for Small Business Economic Recovery Grants will come from Coronavirus Relief funds. The total amount available for the net loss grants is $400,000. Net loss grants will be granted based on information submitted up to $10,000.

Funding for COVID-19 expense reimbursement will come from California Department of Public Health. The total amount available for the expense reimbursement grants is $200,000.

Application deadline is Monday, November 2, 2020. Grant funds will be distributed based on eligibility criteria and total number of requests submitted.

Selection Process & Criteria

Projects will be reviewed by a committee based on the following criteria:

1. Is the business in compliance with public health guidelines for COVID-19 mitigation and safety?
2. Is the business up-to-date with all required tax payments?
3. Is the applicant currently suspended or debarred from contracting with the Federal Government?
4. Funds will be dispersed based on a “yes” response to one or both of the following questions:
   - Did the business incur costs to follow suggested state safety guidelines for their business sector?
   - Did the business experience net losses as a result of COVID-19 public health safety measures?
Mariposa County Small Business Economic Recovery Grant Policy

Eligibility

Applicants must meet the following criteria to be eligible for a Small Business Economic Recovery Grant:

1. The business for which the grant is used must be located within Mariposa County.
2. The business for which the grant is used must be current on all taxes, including transient occupancy taxes.
3. The applicant must be the owner or operator of the business.
4. The applicant must not be suspended or debarred from contracting with the Federal Government.

Guidelines

1. Is the business in compliance with public health guidelines for COVID-19 mitigation and safety?
   - Yes
   - No
   If yes, the applicant is eligible for funds.

2. Is the business up-to-date with all required tax payments?
   - Yes
   - No
   If yes, the applicant is eligible for funds.

3. Is the applicant currently suspended or debarred from contracting with the Federal Government?
   - Yes
   - No
   If no, the applicant is eligible for funds.

4. Did the business incur costs to follow suggested state safety guidelines for their business sector?
   - Yes
   - No
   If yes, the applicant is eligible for funds. Documentation must be attached to the application to verify reported expenses.

5. Did the business experience net losses as a result of COVID-19 public health safety measures?
   - Yes
   - No
   If yes, the applicant is eligible for funds. The business must report total revenue and total expenses for the affected period as well as a comparable period. If no comparable period exists, applicant can use any combination of projections used for a business loan, pre-COVID winter numbers, and/or numbers from other comparable businesses in a similar community.

6. What percentage of net losses did the business incur?
   This helps Mariposa County to understand the magnitude of the loss for the business. A $10,000 net loss for one business might be devastating, while it might be a rounding error for another. This serves as a benchmark for grant distribution.

7. Projects must comply with all local, state and federal law. No funds will be issued to businesses that are known to be operating contrary to state or county public health officers’ orders.

8. A completed application must be submitted electronically to tschiff@mariposacounty.org by Monday, November 2, 2020. No changes to the application are permitted after it has been submitted.

9. Grants will be awarded up to $10,000 per business. Mariposa County reserves the right to adjust the program and its funding tiers and fund requests at its discretion.
Mariposa County

Business Assistance
Grant Application

Administrative Data

Business Name

Address

Contact Name

Phone

Email

Please describe your business and the products/services that you provide in Mariposa County.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

How many Employees does the business employ?

________________________________________________________________________
Impacts

Please describe in detail the financial and operational impacts of COVID-19 to your business.

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

When did the impact start and what is the estimated end date (use current date if ongoing)?
From ___________________________ To ___________________________

What were your businesses’ revenues during the affected period of 2020? __________

What were your businesses’ revenues during the same period of 2019? __________

What were your businesses’ expenses during the affected period of 2020? __________

What were your businesses’ expenses during the same period of 2019? __________

Please describe how the grant funds will be used.

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________
Eligibility

Have you received any other forms of financial assistance to include insurance proceeds? If so, how much and what items/activities did this assistance cover?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Does the business or the applicant have any outstanding judgments, tax liens, or pending lawsuits against them?

☐ Yes
☐ No

Is the applicant currently suspended or debarred from contracting with the Federal Government or receiving federal grants or loans?

☐ Yes
☐ No

Is your business in compliance with all Federal, State, and Local Laws?

☐ Yes
☐ No

Is your business in compliance with current Public Health Officer orders outlining safety measures to mitigate the spread of COVID19?

☐ Yes
☐ No
By my signature below, I have read and understand the Business Assistance Grant Program. I make the following representations and acknowledge agreement to the following terms and conditions:

- Upon approval of this application, as evidenced by the signature of the authorized County representative below, this application becomes a binding contract between the entity named above and Mariposa County.
- I am the duly authorized representative of the entity named above and can bind the entity to the terms of this agreement.
- In no event shall the County’s financial responsibility exceed the approved amount set forth below.
- I bear full responsibility for any and all tax consequences of receiving grant funds including, but not limited to, issuance of a 1099 by the County.
- Applicant shall defend and indemnify the County and its employees from and against any claim, injury, liability, loss, cost and/or expense or damage from activities reimbursed under this program.
- The representations made by applicant in this application are material terms of the agreement. The County may cancel this agreement at any time upon discovery that any of the information set forth above is inaccurate, or that any terms set forth above have been violated.

Applicant Signature: ____________________________ Date: ________________
Conditions of Fund Distribution

If awarded, $10,000 / $6,000 / $3,000 in grant funds will be distributed on a monthly basis following the successful attestation from local businesses that they are, and will continue to, follow all applicable Public Health guidelines with respect to mitigating the spread of COVID19.

Payment Schedule

<table>
<thead>
<tr>
<th>Grant Payment Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
</tr>
<tr>
<td>October 29th</td>
</tr>
<tr>
<td>November 19th</td>
</tr>
<tr>
<td>December 17th</td>
</tr>
</tbody>
</table>

Criteria on which Fund Distribution is based

Funds will be distributed using the following formula. Businesses awarded grant funding will be required to attest to compliance with all current Public Health guidelines with respect to preventing the spread of COVID19 to be eligible for payments.

<table>
<thead>
<tr>
<th>Tiers</th>
<th>Net Profit Loss $$</th>
<th>Net Profit Loss %</th>
<th>Grant Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>&gt; $20,000</td>
<td>&gt; 20%</td>
<td>$10,000</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$10,000 - $20,000</td>
<td>&gt; 10%</td>
<td>$6,000</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$3,000 - $9,999</td>
<td>&gt; 10%</td>
<td>$3,000</td>
</tr>
</tbody>
</table>
Mariposa County Small Business Economic Recovery Grant Application

**Coronavirus Economic Relief Programs in Mariposa County**

Mariposa County has made several programs available to support local businesses and nonprofits that have been impacted by the novel coronavirus pandemic. This application may be used for two of those programs as outlined below. Please review this page before completing an application.

<table>
<thead>
<tr>
<th></th>
<th><strong>LOSS RECOVERY</strong></th>
<th><strong>COVID RESPONSE EXPENSE REIMBURSEMENT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible Expenses</strong></td>
<td>Net losses (e.g. $10,000 in 2020 net revenue compared with $40,000 for the same period in 2019 would be a $30,000 loss)</td>
<td>Expenses necessary for response to the pandemic and associated regulations (e.g. PPE’s, cleaning supplies, outdoor tents to relocate business activities)</td>
</tr>
<tr>
<td><strong>Basic Documentation Requirements</strong></td>
<td>Requires total revenue and expense numbers for the same time period in 2020 and 2019</td>
<td>Requires documentation of COVID response expenses including receipts, invoices, etc. Quotes for work to be completed are insufficient for reimbursement.</td>
</tr>
<tr>
<td><strong>Total Available Funding</strong></td>
<td>$400,000 available</td>
<td>$200,000 available</td>
</tr>
<tr>
<td><strong>Funding Source</strong></td>
<td>CARES Act funding</td>
<td>California Department of Public Health funding</td>
</tr>
<tr>
<td><strong>Disbursement</strong></td>
<td>Paid in 3 installments November, December, and January</td>
<td>Paid in November</td>
</tr>
<tr>
<td><strong>Other Information</strong></td>
<td>Businesses which opened in 2020 are still eligible for funding – see section on revenue and expense information request for guidance on how to best answer the question on comparables</td>
<td></td>
</tr>
<tr>
<td><strong>COVID Compliance</strong></td>
<td>Requires ongoing compliance with current COVID mitigation guidelines</td>
<td></td>
</tr>
<tr>
<td><strong>Availability</strong></td>
<td>Available to non-profit and for-profit organizations</td>
<td></td>
</tr>
</tbody>
</table>

There are two other small business economic recovery funds available at the present time for organizations in Mariposa. This application cannot be used for these programs. If you have questions, please contact Tara Schiff, Economic Development Specialist, at tschiff@mariposacounty.org or (209) 742-1214.

<table>
<thead>
<tr>
<th><strong>MARIPOSA COMMUNITY FOUNDATION GRANTS</strong></th>
<th><strong>MARIPOSA COUNTY SAFE FORGIVABLE LOANS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000 per award</td>
<td>No maximum award</td>
</tr>
<tr>
<td>$15,000 available</td>
<td>$78,000 available</td>
</tr>
<tr>
<td>Application on MCF website</td>
<td>Application on Mariposa County website</td>
</tr>
<tr>
<td>Only for NON-profits</td>
<td>Only for FOR-profits</td>
</tr>
</tbody>
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Mariposa County Small Business Economic Recovery Grant Application

Administrative Data

Business Name

Address

Contact Name

Phone

Email

Please describe your business and the products/services that you provide in Mariposa County.

How many Employees does the business employ?
Impacts

Please describe the financial and operational impacts of COVID-19 to your business.

________________________________________________________________________

________________________________________________________________________

If you are requesting reimbursement for additional COVID-related expenses, please provide documentation with this application. COVID-related expense reimbursement will be done separately and in addition to the Economic Recovery Grants. Total requested for COVID-related expenses:

________________________________________________________________________

When did the impact start and what is the estimated end date (use current date if ongoing)?
From ___________________________  To ___________________________

What were your businesses’ revenues during the affected period of 2020?  ________________
What were your businesses’ revenues during the same period of 2019?**  ________________
What were your businesses’ expenses during the affected period of 2020?  ________________
What were your businesses’ expenses during the same period of 2019?**  ________________

** If your business started in the fall of 2019 or later and as a result you do not have comparable data; you can use any combination of business projections, pre-COVID revenue and expense data, data from comparable organizations in Mariposa.

Please describe how the grant funds will be used.

________________________________________________________________________

________________________________________________________________________
Mariposa County Small Business Economic Recovery Grant Application

Eligibility

Have you received any other forms of financial assistance? If so, how much and what type of financial assistance did you receive, i.e. PPP, EIDL, personal loan, insurance proceeds, other (please specify)?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Does the business or the applicant have any outstanding judgments, tax liens, or pending lawsuits against them?

☐ Yes
☐ No

Is the applicant currently suspended or debarred from contracting with the Federal Government?

☐ Yes
☐ No

Is your business in compliance with all Federal, State, and Local Laws?

☐ Yes
☐ No

Is your business in compliance with current Public Health Officer orders outlining safety measures to mitigate the spread of COVID19?

☐ Yes
☐ No
Certification

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Mariposa County Small Business Economic Recovery Grant Application

Conditions of Fund Distribution

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Payment Schedule

<table>
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<tr>
<th>Grant Payment Schedule</th>
<th>High Tier</th>
<th>Middle Tier</th>
<th>Low Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 12, 2020</td>
<td>1/3</td>
<td>1/3</td>
<td>1/3</td>
</tr>
<tr>
<td>December 10, 2020</td>
<td>1/3</td>
<td>1/3</td>
<td>1/3</td>
</tr>
<tr>
<td>January 14, 2020</td>
<td>1/3</td>
<td>1/3</td>
<td>1/3</td>
</tr>
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<td>&gt; $30,000</td>
<td>&gt; 20%</td>
<td>High – 3X</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$15,001 – $30,000</td>
<td>&gt; 10%</td>
<td>Middle – 2X</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$5,000 – $15,000</td>
<td>&gt; 10%</td>
<td>Low – X</td>
</tr>
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PLEASE ATTACH A W-9 FORM (attached) TO THE APPLICATION TO ENSURE THE COUNTY CAN EXPEDITE AWARD PAYMENTS.