



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: December 1, 2020
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Re-Appropriating \$115,000 From The Local Business Recovery Program To Provide Matching Funds For The Alameda County CARES Business Grants Program**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution re-appropriating \$115,000 from the Local Business Recovery Program to provide matching funds for the Alameda County CARES Grants Program administered by the East Bay Economic Development Alliance ("East Bay EDA").

BACKGROUND

The economic impacts of the COVID-19 pandemic continue to reverberate through Emeryville's business community. In particular, small businesses, including restaurants and retailers, have been severely impacted by a combination of public health orders that limit operations, a reduced workday population in the city due to work from home arrangements, and customer reluctance to transact in environments that require person-to-person contact.

In recognition of the continued financial stress on small businesses, on November 11, 2020, the Alameda County Board of Supervisors authorized the implementation of the Alameda County CARES Grant Program. The Alameda County CARES Grant Program is funded by \$5,000,000 in Federal Coronavirus Aid, Relief and Economic Security ("CARES") Act funds. The program will make grants of up to \$5,000 available for small businesses that have been impacted by the COVID-19 pandemic. Of the total \$5,000,000 available, \$2,000,000 will be awarded by Alameda County through a lottery process, and \$3,000,000 will be provided as a dollar-for-dollar match against any City-provided funding for businesses within the cities providing additional funds. The program opened on November 17, 2020 and accepted applications from businesses until November 30, 2020 at 11:30 p.m.

DISCUSSION

On June 9, 2020, the City Council adopted Resolution No. 20-49 approving the Local Business Recovery Program and re-appropriating \$200,000 in Economic Development Funds (Fund 202) from the Fiscal Year 20-21 budget for the Façade Improvement Grant Program to fund the Local Business Recovery Program. This program was established

to provide financial relief to businesses impacted by civil unrest that occurred the evening of May 30, 2020. The Local Business Recovery Program funded 21 grants of \$4,000 each, for a total of \$84,000, and staff believes all businesses that were impacted by the civil unrest that are eligible and interested in participating have now received funding. Therefore, from the initial appropriation of \$200,000, \$116,000 remains unexpended.

The local match feature of the Alameda County CARES Grant Program represents an opportunity to leverage additional business assistance funds. If the City provides \$115,000 in matching funds, the County will match this contribution dollar-for-dollar, resulting in a total of \$230,000 in grant funds available to eligible Emeryville businesses. At a grant amount of \$5,000, this could potentially assist up to 46 Emeryville businesses, in addition to any Emeryville businesses that are successful in the application lottery for the \$2,000,000 awarded through the countywide lottery process.

To be eligible for the Alameda County CARES Grant Program, businesses must be physically located in Alameda County and have between 1 and 25 employees. Self-employed individuals and sole proprietorships are also eligible. The businesses must have been negatively impacted by COVID-19, either by a closure of any length due to COVID-19 or layoff of one or more employees due to COVID-19. Applicant businesses must agree to follow State and County COVID-19 safe workplace guidelines and maintain a business license for their physical location. Chain businesses not headquartered in Alameda County, financial institutions, banks, lenders, landlords of residential or commercial businesses, publicly traded companies, and non-profit entities are all ineligible for the Alameda County CARES Grant Program.

Grants are for up to \$5,000 and may be used for unreimbursed costs incurred from March 17, 2020 to December 30, 2020 for rent, mortgage or utility payments, payroll costs, general operating expenses, personal protective equipment, health and sanitation equipment, and/or costs for business adaptation including interior and exterior physical changes or digital technology equipment.

As noted above, applications were accepted from November 17, 2020 through November 30, 2020 at 11:30 p.m. Applications were accepted by the East Bay EDA through an online portal at www.eastbayeda.org/grants. The program flyer was distributed by staff to Emeryville businesses via email and news alert on November 17, 2020 and is included as Attachment 1.

FISCAL IMPACT

As noted above, on June 9, 2020 the City Council re-appropriated \$200,000 from the Economic Development Fund (Fund 202) to the Local Business Recovery Grant Program. These funds had been budgeted in Fiscal Year 2020-2021 for the Façade Improvement Grant Program. Of the \$200,000, \$84,000 was expended on Local Business Recovery Grants, leaving \$116,000 available for other uses. Staff recommends re-appropriating \$115,000 of this amount as a match for the Alameda County CARES Grant Program, for a total of \$230,000 in funding for grants to Emeryville small businesses.

STAFF COMMUNICATION WITH THE PUBLIC

As noted above, staff has made the Emeryville business community aware of the Alameda County CARES Grant Program through emails and news alerts.

CONCLUSION

Businesses remain under serious financial strain due to the ongoing COVID-19 pandemic. The Alameda County CARES Grant Program is an opportunity to leverage local economic development funds to provide relief to Emeryville small businesses. Staff recommends re-appropriating Local Business Recovery Grant funds from the Economic Development Fund to match the Alameda County CARES Grant Program.

PREPARED BY: Chadrick Smalley, Economic Development and Housing Manager

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Christine Daniel, City Manager

ATTACHMENTS:

- Attachment 1 - Alameda County CARES Grant Program Flyer
- Draft Resolution