



City Council Staff Report

Subject: COVID-19 Business Retention Grant Program

Date: May 9, 2023

Submitted By: Elizabeth Sorg, Management Analyst

Department: City Manager's Office

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Approving Amendment No. 2 to the Contract for Services with the Sierra Business Council for the Administration of the COVID-19 Business Retention Grant Program and Direct Staff on the Appropriate Method of Determining Funding Amounts.

Background:

At the April 11, 2023 City Council meeting, the City Council provided direction to staff regarding a potential COVID-19 business retention grant program and directed staff to return at the next available meeting with an update and the formal documents needed to initiate the program.

The proposed COVID-19 Business Retention Grant Program would be funded as part of the City's ARPA Revenue loss allocation, and therefore is less restrictive than ARPA funding. According to the ARPA Final Rule, Revenue loss funds may be used for the provision of government services. The proposed COVID-19 Business Retention Program is in alignment with the City's Economic Development Strategy and aims to support those businesses that were open before COVID-19 but who may otherwise not be eligible for ARPA-funded programs because they opened in 2019 or early 2020.

The COVID-19 Business Retention Grant Program would provide grants of up to \$15,000 for those businesses that opened immediately before COVID-19 and remain in business. To be eligible for funding, businesses must:

- Have opened a Rocklin location from January 1, 2019 to March 15, 2020 and must still be in operation;
- Be a brick-and-mortar retail or commercial business;
- Have been ordered to close operations due to state COVID-19 mandates;
- Be able to provide documents that demonstrate eligibility based on the selected program model (examples include, but are not limited to, tax returns, City of Rocklin business license, building lease or mortgage documents).

Additionally, examples of ineligible businesses would include:

- Nonprofit organizations
- Professional services (i.e. consultants, accountants, architects, etc.)
- Businesses that operated remotely during COVID or were not ordered to close by state mandates
- Retail businesses with online-only offerings
- Independent vacation home businesses, such as Airbnb or Vrbo
- Financial businesses primarily engaged in lending, such as banks and finance companies

Should the program be oversubscribed, eligible applicants will be ranked based on the number of days they were forced to close due to state mandates during COVID-19. Those that were closed the longest based on their business type will be given top priority for funding.

The Sierra Business Council is currently under contract with the City of Rocklin to administer the Restore Rocklin program. Staff from the Sierra Business Council have indicated they would be interested in a contract amendment to administer this supplemental program. City staff have reviewed the existing contract and determined that the COVID-19 Business Retention Grant Program would fall within the scope of services for the existing contract and would still be in alignment with the initial Request for Proposals that was issued on April 27, 2022. The attached resolution (Attachment 1) would authorize the City Manager to enter into a contract amendment with the Sierra Business Council to administer this additional program.

Staff is also seeking direction for the grant program model. Staff are proposing two options:

1. 5% of gross revenue for 2021 up to \$15,000; or
2. Rent reimbursement for 3 consecutive months between January 1, 2019 to March 15, 2020 not to exceed \$15,000.

If City Council approves the resolution to administer the funding, staff will execute a contract amendment and will work with the Sierra Business Council to launch the COVID-19 Business Retention Grant Program.

Fiscal Impact:

There is no direct impact to the general fund. Funding would be available through the Revenue Loss allocation of ARPA funds, which are budgeted in Fund 266.

ATTACHMENTS:

1. [Resolution](#)
2. [Resolution Exhibit A - Contract Amendment No. 2](#)