

RESOLUTION NO. 2020-73

**RESOLUTION DIRECTING CITY MANAGER TO IMPLEMENT THE
SMALL BUSINESS EMERGENCY ASSISTANCE PROGRAM: ROUND TWO**

WHEREAS, on March 8, 2020, the Governor of Oregon declared an emergency under ORS 401.165 *et. seq.* due to the public health threat posed by the novel infectious coronavirus (COVID-19); and

WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) became law and established the \$150 billion Coronavirus Relief Fund (Fund) from which the U.S. Department of the Treasury made payments to eligible units of local government, including the County; and

WHEREAS, Washington County received a payment from the Fund which, subject to the requirements of the CARES Act, can be used to reimburse necessary expenses associated with the provision of economic support for small businesses; and

WHEREAS, the County desires that a portion of the \$10,000,000.00 Small Business Grant Program fund be transferred to its cities, recognizing that cities are in a good position to know the particular needs of their business communities; and

WHEREAS, the County desires to provide the City a portion of the Small Business Grant Program funds for the provision of small business grants for expenses made necessary by the COVID-19 public health threat; and

WHEREAS, the City has requested \$212,000 from this Fund in order to provide economic relief for small businesses within the City of Forest Grove; and

WHEREAS, the Forest Grove City Council desires to utilize this funding to provide economic relief to those businesses that were most severely impacted by revenue losses due to these circumstances.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council hereby authorizes the City Manager to implement the "Small Business Emergency Assistance Program: Round Two," using the criteria outlined in the staff memo, dated July 13, 2020.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 13th day of July, 2020.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 13th day of July, 2020.



Peter B. Truax, Mayor



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>9. C.</u>
MEETING DATE:	<u>07/13/2020</u>
FINAL ACTION:	<u>RESO 2020-73</u>
COUNCIL AMENDMENT: PROGRAM CRITERIA AMENDED TO ALLOW LICENSED HOME BASED BUSINESSES TO APPLY	

CITY COUNCIL STAFF MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Bryan Pohl, Community Development Director
Jeff King, Economic Development Manager*

MEETING DATE: *July 13, 2020*

SUBJECT TITLE: *Resolution Authorizing the Establishment of a Small Business Emergency Assistance Grant Program: Round 2*

ACTION REQUESTED:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> X	<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> X	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
--------------------------	------------------------------------	--------------------------------	---------------------------------------	--	----------------------------	---------------------------------	--

X all that apply

BACKGROUND: The City of Forest Grove and the Forest Grove Urban Renewal Agency have taken a leading role in assisting small businesses in Forest Grove. In March, the Urban Renewal Agency (URA) Board of Directors established the Small Business Emergency Assistance Grant Program and directed \$125,000 in assistance to 80 businesses to pay for April’s rent or mortgage. All requests for business assistance were approved and funded. The City Council extended the program to small businesses outside the Urban Renewal Area and in May, 2020, authorized \$25,000 in assistance under the same criteria for businesses outside the Urban Renewal Area.

Since this time, the County has been apportioned \$105 million in Federal Cares Act monies. A portion of these monies are being distributed to cities for small business economic recovery assistance. These distributions have taken two forms: 1) reimbursement for small business recovery assistance expenses already incurred (this will occur via a separate resolution) and 2) additional assistance to implement another small business recovery assistance program. The County is apportioning the City of Forest Grove \$212,000 for this purpose and program.

PURPOSE AND PROGRAM: The purpose of this resolution is to create a Small Business Emergency Assistance Program: Round 2. Many of the same qualification criteria would remain the same as the initial Small Business Emergency Assistance Program, however, because businesses are now open and have experienced actual revenue losses, this program is tailored to be based on need for incurred losses rather than reimbursement for rent or mortgage, and on equity and fairness based on business size and on the method for applying and receiving grants.

The Round 2 grant program structure is proposed as follows:

- All small businesses with less than 25 full-time equivalent employees could apply.

- The small business must be located in a commercial storefront.
- The small business must have a Forest Grove business license.
- Business can be a locally owned franchise of a national chain.
- **LICENSED HOME BASED BUSINESSES. (AS AMENDED BY COUNCIL MOTION)**
- For small businesses that were entirely closed for April or May and did not receive notice of the prior assistance program, they could apply for April or May rent or mortgage reimbursement. These same businesses could also apply for additional funding under this program. These businesses will be reimbursed for rent or mortgage prior to any grants being awarded under the new program.
- To better match the size of the grant to the size of the business, there would be four small business categories with four corresponding levels of funding:
 - 1-5 FTE's: \$2,500
 - 6-10 FTE's: \$3,000
 - 11-15 FTE's: \$3,500
 - 16-25 FTE's: \$4,000
- To assure the funds go to those most in need, the applicants would self-certify the amount of their revenue losses from April 1-May 31 by certifying one of the following categories. The application would note that spot audits may be done on any or all applicants.
 - 100% (businesses that were mandated to fully close by Executive Order)
 - 75% or more
 - 50% or more
 - 25% or more
- Grants will be allocated to those business with the highest losses first and as funds are available. For example, all 100% applicants will be funded first, then 75% or more applicants, and so on, until all grant funds are expired.
- In an effort to assure that all businesses that qualify are eligible and know of the program, the application period will remain open for 30 days and applicants can apply in person or on-line. Staff will advertise the program through the Business Recovery Center, Chamber of Commerce, Economic Development Commission, website, and social media.

FISCAL IMPACT: The program will award up to \$212,000 in grants. However, because these funds are being derived from Washington County's share of the Federal CARES Act, there will be no impact to the general fund from the enactment of this program.

STAFF RECOMMENDATION: Staff recommends that Council approve the proposed resolution directing staff to implement the Small Business Emergency Assistance Program: Round Two.

ATTACHMENT(s):

- Resolution approving the Small Business Emergency Assistance Program: Round Two