



CITY OF ATASCADERO CITY COUNCIL SPECIAL MEETING AGENDA

*** COVID-19 NOTICE ***

Consistent with Executive Orders N-25-20 and No. N-29-20 from the Executive Department of the State of California and the San Luis Obispo County Health Official's March 18, 2020 Shelter at Home Order, the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.

HOW TO OBSERVE THE MEETING:

To maximize public safety while still maintaining transparency and public access, the meeting will be live-streamed on SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and on KPRL Radio 1230AM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website or by visiting <https://us02web.zoom.us/j/82006183564?pwd=UW1pQlhyZ25ZdDR4RVhkYW5b00rdz09>.

HOW TO SUBMIT PUBLIC COMMENT:

Members of the public are highly encouraged to call **805-538-2888** to listen and provide public comment via phone, or submit written public comments to cityclerk@atascadero.org by 5:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Mayor's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

City Council agendas and minutes may be viewed on the City's website: www.atascadero.org.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection during City Hall business hours once City Hall is open to the public following the termination of the Shelter at Home Order.



CITY OF ATASCADERO CITY COUNCIL

NOTICE OF SPECIAL MEETING AGENDA

Tuesday, December 15, 2020

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California**

<u>City Council Special Meeting:</u>	6:00 P.M.
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CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Mayor Moreno

ROLL CALL: Mayor Moreno
Mayor Pro Tem Newsom
Council Member Bourbeau
Council Member Dariz
Council Member Funk

A. MANAGEMENT REPORTS:

1. Small Business Emergency Assistance Grant

- **Fiscal Impact:** The adoption of this temporary emergency grant program would result in a direct fiscal impact to the General Fund in the amount of \$250,000. Additional expenditures as a result of staff time and resources is expected to result in costs up to \$20,000. Staff time expended on this program will not be recouped in full, however there is a potential for some long term revenue benefit as a result of maintaining business in Atascadero.
- **Recommendation:** Council adopt Draft Resolution authorizing the City Manager to allocate up to \$250,000 from the General Fund towards an emergency grant program to assist small businesses that have demonstrated significant financial impacts due to emergency business closures as a result of COVID-19. [City Manager]

B. DISCUSSION ITEM: Discussion of COVID 19 issues including oral updates by Mayor Moreno and City Manager Rickard, questions by City Council, public comment and comments by City Council.

1. Coronavirus (COVID-19) update – Mayor Moreno
2. Coronavirus (COVID-19) update – City Manager Rickard

ADJOURNMENT: The Council will adjourn to the next Regular Session on January 12, 2020.



Atascadero City Council

Staff Report - City Manager

Small Business Emergency Assistance Grant

RECOMMENDATION:

Council adopt Draft Resolution authorizing the City Manager to allocate up to \$250,000 from the General Fund towards an emergency grant program to assist small businesses that have demonstrated significant financial impacts due to emergency business closures as a result of COVID-19.

DISCUSSION:

Background

Due to the COVID-19 pandemic, our region, which includes Southern California Counties in addition to SLO County, is now subject to a regional stay at home order, effective December 6, 2020. That order is expected to be in place for at least three (3) weeks. The resulting shut-down prohibits all on-site dining, personal services (barbers, hairdressers, nail salons etc.), fitness centers, dance studios, family entertainment/theaters, and related uses from operating. Restaurants may now only operate on a to-go basis, along with breweries, wineries, and other food and beverages services such as coffee shops. This will continue to result in a devastating effect on many of the small businesses in. While the all levels of government have tried to provide some measure of relief, many of our businesses are struggling to make things work.

Now, more than ever, local businesses may be struggling to make ends meet, especially during the holiday season. New state grants and loans are now available, however the demand and access to state funds are limited and are likely to be constrained. Some surrounding cities have offered small grants to local businesses and some are considering a second round of these grants. Typical grant amounts are between \$4,000 and \$6,000 and can be used for a variety of needs to keep a small business alive through these next critical couple of months. Staff is recommending funding a similar program for Atascadero businesses.

Atascadero's Plan

In order to support small businesses facing financial impacts and potential layoffs, City staff is recommending the initiation of a Small Business Grant Fund. The fund will provide grants to small businesses experiencing economic stresses in order to prevent potential layoffs or business closures during COVID-19. Due to the limited funds and staff resources available in order to run this program, staff is suggesting that the program be limited to business types that are the focus of the regional stay-at-home order. This includes the restaurants, bars, gyms, and personal services categories in addition to family entertainment/theaters. This does not include general retail, general services, or other essential services that are not required to close as part of the regional order. Staff has estimated that there are at least 75 or more businesses that

would fit the categories with the greatest need. Based on need and potential funding availability, the City could assist up to 50 businesses at up to \$5,000 each, or could assist a great number of businesses with some type of sliding scale funding.

Eligibility Criteria

Eligible applicants include businesses or industry associations that:

- Have a business storefront in Atascadero that has been in operation and open to the public, to the greatest extent possible, for 6 months or more prior to the business restrictions
- A business must be in good standing with the City with a current business license and a conforming business location
- Business must be able to demonstrate that they have been directly impacted by the stay at home orders
- Business must fit a category of a food and beverage service, bar, brewery, winery, personal service, gym, dance studio, martial arts, family entertainment center, theater, or closely related business (*For many personal services businesses such as beauty salons, each hair stylist acts as an independent contractor that is responsible for obtaining their own clients and customers. These independent contractors may also be eligible for a grant if they can demonstrate eligibility as a separate contractor*)
- Business must adhere to local COVID-19 guidelines

Use of Funds

Businesses must utilize the funds to create solutions that mitigate layoffs and/or business closure. Requests must be reasonable, necessary, and directly related to preventing potential layoffs or facility closures as a result of COVID-19 and must have taken place during COVID-19 State required business closures through the end of the grant period.

Examples of permissible use of funds include, but are not limited to:

- Payroll expenses
- Business space/building rent
- Other creative approaches and strategies to reduce or eliminate the need for layoffs or closures

Suggested Grant Amount and Application Period

Staff suggest that grants of up to \$5,000 be offered to each qualifying business. Only one award per business may be made. If the City Council approves the funding, the application period could begin as soon as December 17 and be open until December 30, with grant awards to be rolled out in January. The grant expenditure period should extend for a period of three months or until April 30, 2021. It is expected that some businesses may also be eligible for state or federal funds as additional assistance at these levels becomes available.

Grant Application and Agreement Forms

A draft application and agreement form has been included as Attachment 1. The agreement form is part of the application and acknowledges both the City and applicant responsibilities. All applications will be reviewed by City of Atascadero staff. If grant requests exceed amount of available funds, staff will rank eligibility based on eligibility criteria in order to help select grant recipients. Selected businesses will be required to sign an agreement form before funds are expended. Fund recipients must retain a folder of receipts, copies of invoices, grant application, budget for grant, and grant submission paperwork for at least one year beyond the term of the grant period.

FISCAL IMPACT:

The adoption of this temporary emergency grant program would result in a direct fiscal impact to the General Fund in the amount of \$250,000. Additional expenditures as a result of staff time and resources is expected to result in costs up to \$20,000. Staff time expended on this program will not be recouped in full, however there is a potential for some long term revenue benefit as a result of maintaining business in Atascadero.

ALTERNATIVES:

Recommend the City Manager not utilize City funds at this time, instead seeking additional State and Federal resources to assist business in the near future.

ATTACHMENTS:

1. Draft Application/Agreement form
2. Draft Resolution affirming use of \$250,000 from the City's General Fund to assist businesses that are directly impacted by the regional stay at home order.



ITEM NUMBER: A-1
DATE: 12/15/20
ATTACHMENT: 1

Atascadero Small Business Emergency Grant Program Application

The objective of this program is to offer immediate financial assistance to certain small businesses located in the City of Atascadero to aid in maintaining their business and workforce. Grants of up to \$5,000 for qualified small businesses that have been significantly impacted by the most recent Stay-at-Home order dated Sunday, December 6, 2020.

Grant Deadline: December 30, 2020

ELIGIBILITY

- ✓ Applicants must verify the business has experienced a loss of income due to the recent Stay-at-Home Order
- ✓ Applicants must operate out of a physical commercial location within the city limits of Atascadero
- ✓ Applicants must have an active, current, City of Atascadero Business License
- ✓ Applicants must be in good standing with the City and in compliance with COVID-19 standards
- ✓ Applicants must have been in operation in the City of Atascadero starting May 1, 2020, or prior
- ✓ Applicants had no more than 15 employees as of January 1, 2020
- ✓ Applicant's primary business type is one of the following:
 - Restaurant/Brewery/Winery/Distillery
 - Hair salons/Barbershops
 - Personal Services
 - Fitness Center/Gym/Dance/Martial Arts
 - Family entertainment centers/Movie Theaters

PLEASE NOTE: Chains (national or local with 3 or more locations) will not be eligible for award.



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APPLICATION

Name of Business:

Name of Business Owner(s):

Business Address:

Contact Person Name and Title:

Contact Person E-mail: _____ Phone: _____

ELIGIBILITY VERIFICATION

1. Has the business experienced a loss of income due to the recent Stay-at-Home Order?

Yes ☐ No ☐

2. Does the business operate out of a physical commercial location within the city limits of Atascadero?

Yes ☐ No ☐

Please list the address of the location:

3. Does the business have a current and active City of Atascadero business License?

Yes ☐ No ☐ Business License No. _____

4. Is the business in good standing with the City of Atascadero?

Yes ☐ No ☐

5. Has the business been operating in the City of Atascadero as of May 1, 2020, or prior?

Yes ☐ No ☐ Business Start Date: _____



6. Did the business have less than 15 employees as of January 1, 2020?

Yes ☐ No ☐

7. What is the primary type of business?

8. Does the business or applicant own a chain with three or more locations (national or local)?

Yes ☐ No ☐

9. Is the business or the applicant in good standing with the City and in compliance with COVID-19 standards?

Yes ☐ No ☐

AMOUNT OF GRANT FUNDS REQUESTED: \$_____ (up to \$5,000 maximum)

DESCRIPTION OF HOW GRANT FUNDS WILL BE USED

Describe in detail what the grant funds will be used for and how it will help sustain your business. For example, how many months of lease payments will the grant award allow you to pay and/or how many full-time employees will the grant award allow you to retain. Describe what other forms of assistance you have sought or are seeking.



GRANT APPLICATION PROCESS AND TERMS

1. Grant applications must be emailed or delivered directly to City of Atascadero no later than December 30, 2020 AT 10:00 AM PST.
2. If application is found complete, application will be reviewed for eligibility and applicants will receive a notice of award within a target of one to two weeks after the close of the application period. In all cases, the City reserves the right to reject any and all applications in the event the City identifies a potential conflict of interest or the appearance of a conflict of interest. Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, wholly or in part, at any time, without penalty.
3. If awarded, this application becomes a binding contract between the entity named above and the City of Atascadero.
4. If awarded, funds may only be used for applicant's payroll expenses or lease payments or related business expenses.
5. Businesses receiving funding must retain for their records:
 - a. A written statement how many jobs were retained and/or how the funds allowed the business to continue operations.
 - b. Evidence that the grant funds have been spent in the manner and for the purposes stated in this application.
6. The City reserves the right to audit the applicant's books and records for compliance with terms in this Agreement.

Please direct any questions to the City of Atascadero Community Development Department at (805) 461-5000.

City of Atascadero Grant Agreement Form

By my signature below, I have read and understand the Small Business Assistance Grant Program. I make the following representations and acknowledge agreement to the following terms and conditions:

1. Upon approval of this application, as evidenced by the signature of the City Manager below, this application becomes a binding contract between the entity named above and the City of Atascadero (Agreement).
2. I am the duly authorized representative of the entity named above and can bind the entity to the terms of this Agreement.
3. If funds are provided by the City, the funds will be used for the purposes set forth above.
4. In no event shall the City's financial responsibility exceed the approved amount, set forth below.
5. 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 City, and will submit an IRS Form W-9 to the City along with the application or prior to receiving grant payment.
6. There is no agency, employment, joint venture or other such relationship created by virtue of award of the grant.
7. The City does not endorse the specific business.
8. Applicant shall defend and indemnify the City and its employees from and against any claim, injury, liability, loss, cost and/or expense or damage including all costs and reasonable attorney's fees, arising from or alleged to arise from the activity or event.
9. The representations made by applicant in this Application are material terms of the Agreement, as is compliance with the Small Business Grant Program. The City may cancel this Agreement at any time upon discovery that any of the information set forth above is inaccurate, that these terms have been violated, or any provision of the Small Business Assistance Grant Program has been violated.

Applicant Signature: _____ Date: _____

TO BE COMPLETED BY CITY STAFF

Grant Application Granted? Yes ☐ No ☐

If yes, list amount of grant: \$_____

If no, provide reason for denial:

Grant Payment Date: _____

If no, has notification been sent to applicant? Yes ☐ No ☐

City Manager Signature: _____ Date: _____

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, AUTHORIZING THE USE OF \$250,000
FROM THE CITY'S GENERAL FUND TO FUND SMALL BUSINESS
GRANTS FOR BUSINESSES IMPACTED BY COVID-19**

WHEREAS, in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19) was first identified in Wuhan City, Hubie Province, China, which has since become a worldwide pandemic, impacting more than 100 countries, including the United States; and

WHEREAS, the federal Centers for Disease Control and Prevention activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; the California Department of Public Health activated its Medical and Health Coordination Center, and the Office of Emergency Services activated the State Operations Center to provide support and guide actions to preserve public health; and

WHEREAS, the Governor of the State of California proclaimed a State of Emergency for the State of California and issued Executive Orders directing measures to mitigate the spread of cases of COVID-19 within the State of California; the San Luis Obispo County Emergency Services Director proclaimed a local emergency; and the San Luis Obispo County Public Health Director declared a public health emergency related to the spread of cases of COVID-19 within the State of California; and

WHEREAS, on March 17, 2020 the City Council of the City of Atascadero proclaimed a local emergency, finding that the actual existence of conditions of extreme peril to the safety of persons and property had arisen within the City, caused by the effects of COVID-19; and

WHEREAS, the COVID-19 pandemic continues to present an imminent threat to public health worldwide and in the U.S., and

WHEREAS, the pandemic and necessary federal, state, and local public health orders requiring social distancing to prevent spread of COVID-19 have had and will continue to have devastating economic impacts on the local community, including residents, businesses, employees and City operations; and

WHEREAS, the County of San Luis Obispo has been included in a regional stay at home order as of December 6, 2020, which requires continued business closures and business modifications for many local businesses; and

WHEREAS, due to the severe economic impacts of COVID-19 and its economic impacts on the community and the City, it is necessary to implement emergency economic aid that includes funding to assist in sustaining small business through the current surge in COVID 19 cases; and

WHEREAS, these emergency grant funding measures are intended to provide economic relief to Atascadero's small business types, impacted by stay at home orders that are experiencing economic uncertainty while complying with State and County Orders; and

WHEREAS, this grant program is established for the purpose of supporting and facilitating the recovery of business and economic activity in the City by helping business meet operating costs and retain employees; and

WHEREAS, time is of the essence to quickly implement a grant program to respond to the rapidly changing business restrictions due to COVID-19; and

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The City Manager is authorized to commence a grant program to provide funding to select qualifying businesses in an amount not to exceed \$5,000 for each business for a total amount not to exceed \$250,000 from the City's General Fund. Awards to businesses will be based on a set of qualifying factors for businesses that have maintained a storefront in the City of Atascadero and are a business that has been directly impacted by stay at home orders. Such business may include restaurants, bars, personal services, fitness centers, dance studios, martial arts, family entertainment/theaters, and related business types.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 15th day of December, 2020.

On motion by Council Member _____ and seconded by Council Member _____ the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

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APPROVED AS TO FORM:

Brian A. Pierik, City Attorney