



**DISCUSSION ITEMS**

**Agenda Item # 15**

**AGENDA REPORT SUMMARY**

**Meeting Date:** May 12, 2020

**Subject:** Resolution 2020-19 A resolution of the City Council of the City of Los Altos Adopting the Process and Eligibility Criteria for the Small Business Relief Assistance Program

**Prepared by:** Chris Jordan, City Manager

**Attachment(s):**

1. Resolution 2020-19

**Initiated by:**

City Council

**Previous Council Consideration:**

April 28, 2020

**Fiscal Impact:**

\$250,000 from the General Fund (allocated April 28, 2020)

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to adopt the attached resolution and Attachment A that provides the process and eligibility criteria for the Los Altos Small Business Relief Assistance Program?

**Summary:**

- The attached resolution includes the eligibility criteria and process for the Small Business Program
- The process includes a lottery instead of a “first come, first served” process as previously outlined

**Recommended Motion:**

Adopt Resolution 2020-19.

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City Manager *CJ*

Reviewed By: *SE*  
City Attorney

Finance Director *SE*

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**Subject:** Resolution 2020-19: A resolution of the City Council of the City of Los Altos Adopting the Process and Eligibility Criteria for the Small Business Relief Assistance Program

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### **Purpose**

To approve the process and eligibility criteria the Small Business Relief Assistance Program that the Council approved on April 28.

### **Background**

At its April 18 meeting the City Council approved Resolution 2020- creating the Small Business Relief Assistance Program and allocated \$250,000 from the General Fund to start the program. The Council requested that staff work with the Los Altos Chamber of Commerce and the Los Altos Community Foundation to:

- 1) Determine the eligibility criteria for the program
- 2) Prepare a process for accepting and reviewing applications and for granting the funds
- 3) Initiate a fundraising campaign to add additional resources to the Program

In accordance with the Council direction, staff and Mayor Pepper met with the various organizations and developed the eligibility criteria and process that is Attachment 1 to the Resolution.

### **Analysis**

Eligibility Criteria: As mentioned previously, the City has approximately 800 small businesses (less than 25 employees). The group is proposing that eligibility be limited to those businesses meeting the following criteria:

- For a \$10,000 grant award, applicants must be a small business with at least one and no more than 25 full-time employees that has been deemed non-essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
- For a \$5,000 grant award, applicants must be a small business with at least one and no more than 25 full-time employees that has been deemed essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
- Applicants must verify the business has experienced a loss of income due to COVID-19 by completing the Estimated Disaster Economic Injury Worksheet.
- Applicants must submit a current copy of its W-9 form.
- Applicants must operate out of a physical commercial storefront in the city limits of Los Altos.
- Applicants must have an active City of Los Altos Business License. Applicants must be in good standing with the City. Applicants who are involved or have been involved in legal or financial issues may not qualify
- Applicants must have been in operation in the City of Los Altos for at least one year as of March 1, 2020.
- Chains (national or local with 3 or more locations) will not be eligible for award.



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The proposed process is as follows:

- April 28 – City Council approves initial \$250,000 funding and gives staff direction to move forward with the program
- May 12 – City Council reviews program guidelines and application
- May 12-18 - City staff conducts outreach notifying businesses about program
- May 18 – City staff releases program application and guidelines on website
- May 25 – City staff opens application window
- June 1 – City staff closes application window
- June 2 – City staff reviews applications based upon objective criteria and conducts lottery
- June 18 – City staff starts issuing checks to approved businesses
- July 31 – City staff reviews initial documentation to verify funds were spent appropriately

The City will use social media, email lists, and newspaper advertising to assist in marketing the program.

The lottery will be conducted using an on-line random number generator.

**Recommendation**

If the Council believes the eligibility criteria and process is in accordance with its prior direction, the City Council should move to adopt Resolution 2020-19.

**RESOLUTION NO. 2020-19**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING THE PROCESS AND ELIGIBILITY CRITERIA FOR THE SMALL  
BUSINESS RELIEF ASSISTANCE PROGRAM**

**WHEREAS**, the City of Los Altos continues to operate under the emergency proclamation of March 12, 2020 and ratified by the City Council on March 17, 2020; and

**WHEREAS**, the Los Altos community and Santa Clara County are living under the Shelter-in-Place Order of the Public Health Officer until at least May 3, 2020; and

**WHEREAS**, small businesses in Los Altos are essential to the long-term livability and prosperity of the Los Altos community; and

**WHEREAS**, during the COVID-19 emergency, many Los Altos small businesses have been deemed essential and able to remain open, but with significant operating restrictions that have impacted revenues; and

**WHEREAS**, during the COVID-19 emergency, many Los Altos small businesses have been deemed non-essential and prohibited from operating; and

**WHEREAS**, many of these businesses would greatly benefit from an influx of grant funds from the City of Los Altos, and

**WHEREAS**, by providing relief grants to small businesses, the Los Altos community will benefit by having a prosperous business community following the re-opening of the business sector when the Health Order is modified or lifted; and

**WHEREAS**, the City of Los Altos will benefit from a more prosperous business community which will provide needed sales tax revenue to the City; and

**WHEREAS**, at its April 28 meeting, the Los Altos City Council approved the allocation of \$250,000 to be used to provide grants, and created the Los Altos Small Business Relief Assistance Program; and

**WHEREAS**, as directed, City staff, the Chamber of Commerce and the Los Altos Community Foundation have worked together to develop Attachment A to this resolution which describes the process and eligibility criteria for the grant program.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby adopts Attachment A as the eligibility criteria and process for the Los Altos Small Business Relief Assistance Program.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12n th day of May, 2020 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jan Pepper, MAYOR

Attest:

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Andrea Chelemengos, MMC, CITY CLERK



## **Overview & Objectives**

To mitigate the impact of COVID-19 on Los Altos small businesses and their employees, the Los Altos City Council committed up to \$250,000 in one-time funds to create a Small Business Assistance Grant Program. The Los Altos Community Foundation and Los Altos Chamber of Commerce will work to raise additional funds in order to provide funds to more businesses.

The objective of this program is to offer immediate financial assistance to small businesses located in Los Altos to aid in maintaining their business and workforce.

### **Program Overview**

1. Grants of \$10,000 for qualified small businesses with at least one and no more than 25 full-time employees that have been deemed non-essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
2. Grants of \$5,000 for qualified small businesses with at least one and no more than 25 full-time employees that have been deemed essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
3. Qualifying business are exclusively restaurants, retail, and personal service businesses as defined in the Los Altos Municipal Code 14.02.070.
4. Grant funds from the City's Small Business Relief Program can be used for any business expenses.
5. Grants will be awarded on a lottery basis for qualified applicants who have submitted a complete application between May 25, 2020 and May 31, 2020. Incomplete applications will not be considered.

### **Eligibility Requirements**

- For a \$10,000 grant award, applicants must be a small business with at least one and no more than 25 full-time employees that has been deemed non-essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
- For a \$5,000 grant award, applicants must be a small business with at least one and no more than 25 full-time employees that has been deemed essential under the County of Santa Clara Public Health Department order dated March 16, 2020.
- Applicants must submit a current copy of its W-9 form.
- Applicants must operate out of a physical commercial storefront within the city limits of Los Altos.
- Applicants must pay sales tax to the City of Los Altos.
- Applicants must have an active City of Los Altos Business License. Applicants must be in good standing with the City. Applicants who are involved or have been involved in legal or financial issues may not qualify.
- Applicants must have been in operation in the City of Los Altos for at least one year as of March 1, 2020.
- Chains (national or local with 3 or more locations) will not be eligible for award.
- Grant recipients will be required to provide documentation as to how the funds are spent within one month of receiving the grant.



### **Program Timeline**

- April 28 – City Council approves initial \$250,000 funding and gives staff direction to move forward with the program
- May 12 – City Council ratifies program guidelines and application
- May 12-18 - City staff conducts outreach notifying businesses about program
- May 18 – City staff releases program application and guidelines on website
- May 25 – City staff opens application window
- May 31 – City staff closes application window
- June 1-5 – City staff reviews applications based upon objective criteria
- June 5 – City staff conducts lottery
- June 18 – City staff starts issuing checks to approved businesses
- July 31 – Grant recipients provide documentation to City as to how the funds have been spent
- July 31 – City staff reviews initial documentation to verify funds were spent appropriately



**Business Information**

Business name: \_\_\_\_\_

Business owners name: \_\_\_\_\_

Business address: \_\_\_\_\_

City of Los Altos business license number: \_\_\_\_\_

Business type:           Retail                                   Restaurant                                   Personal Service

**Contact Information**

Contact name: \_\_\_\_\_

Contact title: \_\_\_\_\_

Contact e-mail: \_\_\_\_\_

Contact phone number: \_\_\_\_\_

**Eligibility Information**

**(Qualified businesses will submit "yes" to #1 or #2, "yes" to #3 - #8, and "no" to #9 - #15)**

1. Is your business a small business with at least one and no more than 25 full-time employees that has been deemed non-essential under the County of Santa Clara Public Health Department order dated March 16, 2020?

Yes

No

2. Is your business a small business with at least one and no more than 25 full-time employees that has been deemed essential under the County of Santa Clara Public Health Department order dated March 16, 2020?

Yes

No

3. Have you enclosed a current copy of the W-9?

Yes

No

4. Do you operate out of a physical commercial storefront within the city limits of Los Altos?

Yes

No





5. Does your business pay sales tax to the City of Los Altos?

Yes

No

6. Has the business been in operation in the City of Los Altos for at least one year as of March 1, 2020?

Yes

No

7. Does the applicant have six or more months left on a lease for a commercial storefront in the City of Los Altos?

Yes

No

8. Is the business or the applicant in good standing with the City of Los Altos?

Yes

No

9. Does the business or applicant own a chain with three or more locations?

Yes

No

10. Has the business or the applicant ever been involved in a bankruptcy or insolvency proceeding?

Yes

No

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

Yes

No

12. In the past year, has the business or the applicant been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?

Yes

No

13. Is the business or the applicant delinquent on any federal taxes, direct or guaranteed federal loans (SBA, FHA, VA, student, etc.), federal contracts or federal grants?

Yes

No

14. Is the applicant currently suspended or debarred from contracting with the federal government or receiving federal grants or loans?

Yes

No

15. Is the applicant presently a) subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; b) been arrested in the past six months for any criminal offense; c) or for any criminal offense - other than a minor vehicle violation - 1) been convicted, 2) plead guilty, 3) plead nolo contendere, 4) been placed on pretrial diversion, or 5) been placed on any form of parole or probation (including probation before judgment)?

Yes

No





8. Grant funds will be issued upon execution of the agreement.
9. The program will remain in effect during the City of Los Altos' declared state of local emergency and while funds are available.

**Signature**

**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:**

- 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 Santa Clara (Agreement).
- I am the duly authorized representative of the entity named above and can bind the entity to the terms of this Agreement.
- If funds are provided by the City, the funds will be used for business expenses.
- In no event shall the City'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 City.
- There is no agency, employment, joint venture or other such relationship created by virtue of award of the grant. The City does not endorse the specific business.
- 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.
- The representations made by applicant in this Application are material terms of the Agreement, as is compliance with Small Business Assistance 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.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Internal Staff Review**

Was this application granted?                      Yes                      No

If the application was not granted, why not?

Applicant notification date:

Check issue date:

Follow-up documentation date: