

## **RESOLUTION NO. 5978**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA CITY AMENDING THE FISCAL YEAR 2019-2020 BUDGET TO APPROPRIATE \$100,000 FROM THE CITY'S ECONOMIC UNCERTAINTY RESERVE TO FUND A \$100,000 COVID-19 RELIEF SMALL BUSINESS RESTART GRANT PROGRAM**

**WHEREAS**, Government Code Sections 8558 and 8630, *et seq.*, Health and Safety Code Section 101080, and Chapter 2.40 of the Carpinteria Municipal Code ("CMC"), empower the City of Carpinteria ("City") Director of Emergency Services to make and issue rules and regulations on matters reasonably related to the protection of life and property during proclaimed local emergencies; and

**WHEREAS**, on March 4, 2020, Governor Newsom declared a state of emergency to make additional resources available, to formalize emergency actions already underway, and to help the state prepare the effects of Novel Coronavirus ("COVID-19"); and

**WHEREAS**, on March 11, 2020, Governor Newsom and California Department of Public Health ("CDPH") officials recommended that non-essential gatherings should be postponed or cancelled across the state in order to implement social distancing guidelines intended to protect all individuals, particularly those who are at high risk of severe illness for COVID-19, and to slow further spread of COVID-19; and

**WHEREAS**, on March 12, 2020, the County of Santa Barbara ("County") Local Health Officer declared a local health emergency exists in the County due to an imminent and proximate threat to public health, within the meaning of Section 101080 of the Health and Safety Code, by the introduction of COVID-19 in the County, and directed local agencies in the County to implement Governor Newsom's social distancing guidelines; and

**WHEREAS**, on March 17, 2020, the CDPH and County Public Health Department issued County Public Health Officer Order ("County HOO") 2020-8, which directed all bars, nightclubs, pubs, breweries and wineries to close immediately; and restaurants and other food facilities offering on-site dining should immediately transition to only offering delivery or take-out service as part of the public health effort to slow the spread of COVID-19; and

**WHEREAS**, on March 17, 2020, the City Director of Emergency Services issued a Proclamation of Local Emergency by the Director of Emergency Services for the COVID-19 Pandemic ("Proclamation"); and

**WHEREAS**, the City's Proclamation was found necessary and ratified by the City Council at its regular meetings on March 23, 2020 (via adoption of Resolution No. 5954) and re-ratified by the City Council on April 13, 2020 (via adoption of Resolution No. 5954) and May 13, 2020 (via adoption of Resolution No. 5969) in order to utilize all

resources necessary to respond to COVID-19 and receive any State and Federal assistance and funds that may be available; and

**WHEREAS**, the Proclamation invokes in the City all powers and mechanisms set forth in the California Emergency Services Act (Government Code sections 8550, *et seq.*), CMC Chapter 2.40, and all other applicable federal and state laws, and City ordinances and resolutions, to be used by authorized City personnel; and

**WHEREAS**, on March 19, 2020, Governor Newsom issued Executive Order N-33-20 instructing all individuals living in the State of California to stay home or at their place of residence, except as needed to maintain continuity of operation of federal critical infrastructure sectors and additional sectors as the State Public Health Officer may designate as critical to protect health and well-being of all Californians (“Essential Businesses”); and

**WHEREAS**, on May 4, 2020, Governor Newsom issued Executive Order N-60-20, which is incorporated herein by reference, to allow re-opening of lower-risk business and spaces (“Lower-Risk Businesses”) as part of stage two of the State’s Resilience Roadmap (“Stage Two Resilience Roadmap”) and to allow counties to pursue a variance to move further into the stage upon notification and certification through submission of a written attestation to the CDPH; and

**WHEREAS**, on May 8, 2020, the County Health Officer issued County HOO 2020-8.1, which implements State Executive Order N-60-20 within the County and further clarifies the Essential Businesses and Lower-Risk Businesses eligible to be open for limited operations within the County; and

**WHEREAS**, on May 20, 2020, the CDPH approved and posted to the State’s website the County’s variance attestation allowing the County to move further into the State’s Stage Two Resilience Roadmap, which allows dine-in restaurants and in-store retail to re-open subject to certain limitations; and

**WHEREAS**, on May 21, 2020, the County Health Officer issued County HOO 2020-8.2 which, consistent with the State’s certification of the County’s variance attestation, amends the list of businesses defined as Essential Businesses and Lower-Risk Businesses and authorizes these businesses to open more fully upon compliance with the County’s self-certification process; and

**WHEREAS**, although necessary to help slow the spread of COVID-19, the State and locally-mandated closures and/or modifications of local businesses has had disproportionate economic impacts on small businesses, including significant reductions in revenue; and

**WHEREAS**, as part of the County’s self-certification process, among other requirements, local businesses are required to comply with significant cleaning and disinfection protocols as well as provide face coverings and other personal protective

gear to employees, all of which put additional economic strain on small businesses that are struggling with reductions in revenue as a result of mandated business closures and other modifications to conform to social distancing requirements; and

**WHEREAS**, the City Council finds the above conditions warrant and necessitate the City allocating \$100,000 to the development of a grant program to ease the additional economic strain put on small local businesses as they comply with various local and state requirements to reopen their business (“COVID-19 Relief Small Business Restart Grant Program”); and

**WHEREAS**, City staff is proposing that an appropriation of \$100,000 from the City’s Economic Uncertainty Reserve be made to fund the COVID-19 Relief Small Business Restart Grant Program; and

**WHEREAS**, the City Council has given this proposed appropriation and amended budget due consideration, including consideration of the City’s projected revenues, anticipated expenditures, and available fund balances.

**NOW, THEREFORE, THE CITY COUNCIL HEREBY RESOLVES AND ORDERS THAT:**

**Section 1. Incorporation of Recitals.** All the recitals set forth above are true, correct, and valid, and are hereby incorporated and adopted as findings of the City Council as though fully set forth herein.

**Section 2. Findings.** Grants provided pursuant to the COVID-19 Relief Small Business Restart Grant Program serve a public purpose and are not a gift of public funds in contravention of Section 6 of Article XVI of the California Constitution.

**Section 3. Budget Amendment.** The City Council hereby approves an appropriation in the amount of \$100,000 from the City’s Economic Uncertainty Reserve to fund the COVID-19 Relief Small Business Restart Grant Program, as described below.

**Section 4. COVID-19 Relief Small Business Restart Grant Program.**

**A. Amount of Grant Award.** The City will award one-time grants in the amount of \$1,000.00 to all small businesses that meet the eligibility requirements set forth below until the appropriated funds are exhausted.

**B. Eligibility Requirements.** To be eligible for a grant under the COVID-19 Relief Small Business Restart Grant Program, an applicant must meet all of the following requirements:

- i. The applicant must be a small business and have one (1) to twenty-five (25) full-time equivalent employees or be a restaurant (no limit on the number of employees).

- ii. Eligible small businesses include locally-based (1) for profit businesses, (2) non-profit entities, (3) entities that the City has an agreement with to provide services to the public, and that that have not already received COVID-related grant money from the City, and (4) entities that provide public assembly spaces (e.g., theatres, churches, art centers, galleries/museums, etc.). Franchise businesses with a single owner who owns multiple franchise locations within and/or outside of the City, financial institutions, banks, lenders, landlords, publicly traded companies, professional offices (such as legal offices, insurance offices, and other similar office-based businesses), and non-profits or sole proprietors without employees are not eligible.
- iii. The small business must be a physical establishment within the City's jurisdiction.
- iv. The small business must have or obtain a valid, City-issued business license prior to award of any grant money.
- v. Compliance with State Executive Orders and County HOOs, including compliance with County's self-certification reopening process, including completion of Attachment E to County HOO 2020-8.2. Compliance with this eligibility requirement must be met by the date the City begins its eligibility and completeness review on June 10, 2020.
- vi. Small businesses with a majority ownership made up by elected and appointed officials, City employees, and relatives of elected and appointed officials and City employees are not eligible for this program.

**C. Eligible Uses of Funds.** Funds can be used to cover any costs with reopening the applicant's business pursuant to County HOO 2020-8.2, including but not limited to costs associated with complying with County certification requirements for businesses to reopen, cleaning and sanitation, and purchase of face coverings and other personal protective gear.

**D. Enforcement and Reporting Requirements.** Grantees shall keep all receipts in case the City requests them. The City reserves the right to audit the records.

**E. Timeline.** Applications for grant funding will be accepted from June 3, 2020 through June 9, 2020. On June 10, 2020, the City will rank all applications received during this timeframe in a publicly-held random drawing; once ranked, the City will review applications for eligibility and completeness and will begin awarding grants during the week of June 15, 2020 until the \$100,000 in

appropriated funds is exhausted, until the COVID-19 Relief Small Business Restart Grant Program is otherwise terminated by the City, or until the City's Proclamation expires, whichever occurs first.

- F. City Authority.** The City reserves the right to alter, cancel or discontinue COVID-19 Relief Small Business Restart Grant Program and has full discretion to review grant applications and decide whether or not applicant meets eligibility requirements. In the event that an applicant is denied funding, that determination is final and there is no appeals process. It is important to note that the financial information required by this program may be subject to public inspection or disclosure as required by federal, state or local law, including the California Public Records Act.

**Section 5. Director of Emergency Services Discretion to Draft Additional Rules and Regulations.** The City Council hereby authorizes the Director of Emergency Services to promulgate administrative rules and guidance, develop an application form, make expenditures, enter into agreements and/or contracts for the administration of the COVID-19 Relief Small Business Restart Program, and to make adjustment between various accounts within each budget fund in order to implement this Resolution, consistent with its purpose.

**Section 6. Severability.** If any section, subsection, sentence, clause, phrase or word of this Resolution is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.

**Section 7. Environmental Determination.** The City Council finds that the adoption and implementation of this resolution are exempt from the provisions of the California Environmental Quality Act ("CEQA") under CEQA Guideline section 15061(b)(3) in that the City Council finds there is no possibility that the implementation of this resolution may have significant effects on the environment.

**PASSED, APPROVED AND ADOPTED** on May 26, 2020, by the following vote:

AYES: COUNCILMEMBER(S):

NOES: COUNCILMEMBER(S):

ABSENT: COUNCILMEMBER(S):

ABSTAIN: COUNCILMEMBER(S):

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Mayor, City of Carpinteria

ATTEST:

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City Clerk, City of Carpinteria

I hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Carpinteria held on May 26, 2020.

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City Clerk, City of Carpinteria

APPROVED AS TO FORM:

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Peter Brown, on behalf of Brownstein  
Hyatt Farber Schreck, LLP acting as  
City Attorney of the City of Carpinteria