

RESOLUTION NUMBER R- 313081

DATE OF FINAL PASSAGE JUN 11 2020

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE ALLOCATION OF \$12,848,365 IN CARES ACT FEDERAL FUNDING TO THE SMALL BUSINESS RELIEF FUND TO PROVIDE ECONOMIC SUPPORT TO SMALL BUSINESSES IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY AND APPROVING RELATED ACTIONS TO APPROPRIATE AND EXPEND THESE FUNDS.

WHEREAS, on February 19, 2020, the County Board of Supervisors ratified a declaration of local health emergency related to a novel coronavirus, SARS-CoV-2, which causes the COVID-19 disease (COVID-19); and

WHEREAS, on March 4, 2020, Governor Gavin Newsom (Governor) proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, on March 12, 2020, Mayor Kevin Faulconer (Mayor) proclaimed the existence of a local emergency in the City of San Diego (City) as a result of COVID-19, which was ratified by the Council of the City of San Diego (Council) on March 17, 2020; and

WHEREAS, on March 19, 2020, the Governor issued Executive Order N-33-20, ordering all residents of the State of California (State) to stay home or at their places of residence in accordance with the current State public health directives, except to get food, care for a relative or friend, obtain necessary health care or go to an essential job; and

WHEREAS, on March 25, 2020, the Council approved Resolutions R-312898 and R-312899, allocating \$6,100,000 toward the "Small Business Relief Fund" to provide grants and loans to local small businesses experiencing economic hardships as a result of COVID-19; and

WHEREAS, the City received 10,476 Small Business Relief Fund applications, demonstrating a need that far exceeds the funding previously allocated for this purpose; and

WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by the United States Congress and signed into law by President Trump to provide emergency assistance in response to COVID-19 and its impact on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, the CARES Act provided \$150 billion in payments to states and local governments from its Coronavirus Relief Fund (Fund) that may only be used to cover costs that: (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of the date of enactment of the CARES Act; and (3) were incurred during the period from March 1, 2020 to December 20, 2020; and

WHEREAS, the City received \$248 million (Assistance Money) from the Fund; and

WHEREAS, the U.S. Department of the Treasury published the "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments" on April 22, 2020 (Guidance), and the "Coronavirus Relief Fund Frequently Asked Questions" on May 4, 2020 (FAQ), which together set forth the Department of the Treasury's interpretation of the three limitations on use of Assistance Money; and

WHEREAS, the Guidance and FAQ provide examples of eligible expenditures, which include necessary expenditures for the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, voluntary closures to promote social distancing measures, and decreased customer demand as a result of the COVID-19 emergency; and

WHEREAS, the City desires to allocate up to \$12,848,365 of Assistance Money to the Small Business Relief Fund to be used as grants, in accordance with the CARES Act, to provide economic support to those suffering from employment or business interruptions due to COVID-19-related business closures; and

WHEREAS, the City desires to allocate 50% of the \$12,848,365 of Assistance Money to grants for eligible businesses located within the Promise Zone, Opportunity Zone, LMI Census Tract, or otherwise identified using similar metrics established by the Economic Development Department; and

WHEREAS, it is in the public interest to provide economic support that assists residents experiencing loss of income and compensable work hours or wages, addresses the continued and serious negative impacts of the COVID-19 emergency on the local economy, and promotes a stable business market to which business owners and employees can return once the COVID-19 emergency is abated; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego as follows:

1. The Chief Financial Officer is authorized to appropriate and expend the City's Assistance Money, not to exceed \$12,848,365 from Fund 200810 - Federal Cares Act COVID-19 Relief Funds for the purpose of preventing, preparing for, and responding to the COVID-19 emergency.

2. The Chief Financial Officer is authorized to transfer the City's Assistance Money up to \$12,848,365 over Fiscal Year 2020 and Fiscal Year 2021 from Fund 200810 - Federal Cares Act COVID-19 Relief Funds to the General Fund, Economic Development Department, for the purpose of preventing, preparing for, and responding to the COVID-19 emergency in connection to the Small Business Relief Fund, which will provide grants in accordance with the

CARES Act to small businesses experiencing economic hardship due to business interruption caused by the COVID-19 emergency. The appropriation shall continue in force until the purpose for which it was made is accomplished or abandoned.

3. The Chief Financial Officer is authorized to appropriate up to \$12,848,365 over Fiscal Year 2020 and Fiscal Year 2021 from the General Fund, Economic Development Department, for the purpose of preventing, preparing for, and responding to the COVID-19 emergency in connection to the Small Business Relief Fund, which will provide grants in accordance with the CARES Act to small businesses experiencing economic hardship due to business interruption caused by the COVID-19 emergency. The appropriation shall continue in force until the purpose for which it was made is accomplished or abandoned.

4. The Council finds that the expenditures authorized by this Resolution, including the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, voluntary closures to promote social distancing measures, or decreased customer demand as a result of the COVID-19 emergency, are necessary expenditures incurred by the City due to the public health emergency with respect to COVID-19.

5. All Small Business Relief Fund grants of Assistance Money must meet all the eligibility requirements set by the Economic Development Department (Department), and shall be awarded in the order in which the complete applications were received by the City, except that Department shall give priority consideration to eligible businesses located within the Promise Zone, Opportunity Zone, LMI Census Tract, or otherwise identified using similar metrics established by the Department (priority applicants), until either: (a) 50% of the allocated Assistance Money has been awarded to priority applicants; or (b) all eligible priority applicants have been awarded grant funds.

6. The Mayor, or designee, is authorized to negotiate and enter into agreements and take all other actions necessary or appropriate to implement this Resolution and expend the Small Business Relief Funds in an amount not to exceed \$12,848,365.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Daphne Z. Skogen
Daphne Z. Skogen
Deputy City Attorney

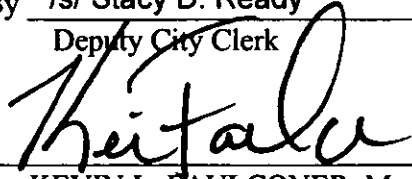
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I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 06/09/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Stacy D. Ready
Deputy City Clerk

Approved: 6/10/20
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 09 2020, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 11 2020.

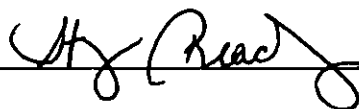
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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