



## Legislation Text

File #: 2023-0033, Version: 1

### Report to Mayor and City Council

Tuesday, January 17, 2023

Consent

#### SUBJECT:

**CONSIDER RESOLUTION NO. 23-020, "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING AN ADDITIONAL APPROPRIATION OF \$500,000 OF AMERICAN RESCUE PLAN ACT OF 2021 FUNDS FOR USE TOWARD SMALL BUSINESS GRANT PROGRAM" AND APPROVAL OF FORM OF AMERICAN RESCUE PLAN ACT OF 2021 SUBRECIPIENT GRANT AGREEMENT**

#### I. SUMMARY

As part of its allocation of American Rescue Plan Act of 2021 ("ARPA") funding, in March 2022 the City Council directed staff to develop a Small Business Grant Program to assist businesses still affected by the Covid-19 pandemic. On May 17, 2022, the City Council provided direction to staff on the eligibility criteria and other factors related to the proposed Small Business Grant Program including the goals and objectives of the program, the program's competitiveness, the minimum and maximum grant sizes, the specific eligibility criteria for the program, and requirements of the program the City may impose on businesses.

On June 21, 2022, by adoption of Resolution No. 22-134, the City Council approved and established the City's Small Business Grant Program authorizing \$1,000,000 from ARPA funds for City's use toward the Grant Program, in accordance with certain Grant Program Guidelines adopted under Resolution No. 22-134.

Since October of 2022, staff has received 50 applications from Carson business owners which could result in grants in excess of \$1,000,000. Accordingly, staff is requesting the City Council approve an appropriation of an additional \$500,000 to allow City to further assist Carson businesses that were impacted by Covid-19 loss of business.

Additionally, existing Carson Home Owner/Occupation Based Businesses meeting the Small Business Grant Program Guidelines Criteria will be eligible to apply for a SBGP Grant.

#### II. RECOMMENDATION

1. ADOPT RESOLUTION NO. 23-020, "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING AN ADDITIONAL APPROPRIATION OF \$500,000 OF AMERICAN RESCUE PLAN ACT OF 2021 FUNDS FOR USE TOWARD SMALL BUSINESS GRANT PROGRAM"; AND
2. APPROVE form of American Rescue Plan Act of 2021 Subrecipient Grant Agreement; AND
3. AUTHORIZE the City Manager to make minor changes to the grant eligibility criteria and to execute the individual American Rescue Plan Act of 2021 Subrecipient Grant Agreements following approval as to form by the City Attorney.
4. ADOPT RESOLUTION NO. 23-020, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING AN ADDITIONAL \$500,000 TO THE CURRENT \$1 MILLION APPROPRIATION OF THE ARPA-FUNDED SMALL BUSINESS GRANT PROGRAM"

### **III. ALTERNATIVES**

Take another action the City Council deems appropriate.

### **IV. BACKGROUND**

The City of Carson has an interest in ensuring storefronts remain filled, particularly retail or restaurant spaces along its commercial corridors. On June 21, 2022, by adoption of Resolution No. 22-134, the City Council approved and established the City's Small Business Covid-19 Grant Program ("Grant Program") authorizing \$1,000,000 from ARPA funds for City's use toward the Grant Program, in accordance with adopted certain Grant Program Guidelines (Exhibit No. 1). The Grant Program will be administered by the City. Small businesses are defined as businesses with 1 to 50 employees. The Grant Program is operated on a competitive application process with applications scored according to the grant criteria. Scoring affects basic eligibility and the potential size of the grant, which will range between \$5,000 to \$25,000.

Since October of 2022, staff has received 50 applications from Carson business owners which could result in grants in excess of \$1,000,000. Accordingly, by adoption of the attached Resolution No. 23-020 (Exhibit No. 2), staff is requesting the City Council approve an appropriation of an additional \$500,000 to allow City to further assist Carson businesses that were impacted by Covid-19 loss of business.

Each grant recipient will enter into a contract with the City setting forth the terms and conditions of the grant (Exhibit No. 3). Staff is requesting that the City Council approve the form of the contract where each contract will be identical with the exception of such terms as the grant amount, purpose of the grant, and certain insurance requirements to be requested by City's Risk Manager on a case by case basis which may vary depending on the grant purpose. By ay authorizing the City Manager to execute the grant agreements, individual contracts will not be brought back to the City Council for approval.

Finally, it should be noted that the original staff report associated with Resolution No. 22-134 stated that the Grant Program would run until June 30, 2023. However, the U.S. Department of Treasury, Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule (“Final Rule”), provides that said funds must be obligated by December 31, 2024 and expended by December 31, 2026; accordingly, as permitted by the Final Rule, the Grant Program will run past June 30, 2023 and its deadlines will be consistent with such Final Rule (Exhibit No. 4).

## **V. FISCAL IMPACT**

No impact to General Fund. If recommendation no. 4 is approved, an additional \$500,000 would be transferred between certain accounts within the American Rescue Plan Fund as identified in Exhibit 5 - Resolution No. 22-1 to the Small Business Grant account.

## **VI. EXHIBITS**

1. Grant Program Guidelines (pgs. 4-8)
2. Budget Resolution No. 23-020 (pgs. 9-11)
3. American Rescue Plan Act of 2021 Subrecipient Grant Agreement (SBGP) (pgs. 12-23)
4. U.S. Department of the Treasury-Coronavirus State Local Fiscal Recovery Funds-Overview of the Final Rule (pgs. 24-67)

Prepared by: ZAK GONZALEZ II, ACTING ECONOMIC DEVELOPMENT MANAGER