



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

July 15, 2020

DEPARTMENT:

Administration

DIVISION:

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

City of Yuma Small Business Relief Grants

SUMMARY RECOMMENDATION:

Establish a Covid-19 related small business relief grant program utilizing up to \$320,000 of the CARES Act (AZCares) allocation to the City of Yuma (Administration) (Philip Rodriguez)

REPORT:

In some way or another, Covid-19 has affected nearly every person and business entity in the world. In Arizona, businesses have experienced sharp declines due to emergency closures and other Covid-19 related impacts.

A number of Arizona cities and counties have initiated programs, or contemplate programs, to assist with the economic impacts of Covid-19 on businesses. The first cities to initiate these programs were cities like Phoenix and Mesa who received direct funding from the U.S. Treasury. The qualifying criteria for eligibility in these programs vary from number of years in business, maximum or minimum numbers of employees, but all of these programs are geographically tied to City boundaries and serve a public purpose recognized by Congress and the US Treasury Department.

Restrictions on the use of CARES Act funds are spelled out in Sec. 601(d) of the Social Security Act (42 U.S.C. 301 *et seq*) The Act requires that expenditures:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and

3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In guidance dated June 30, 2020, the U.S. Treasury issued an interpretation of the necessary requirement (number 1 in the list above) as “These may include expenditures incurred to allow the State, territorial, local or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by *providing economic support to those suffering from employment or business interruptions due to COVID-19 related business closures.*” (emphasis added).

In additional guidance dated July 8, 2020, the U.S. Treasury Department stated, “Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.”

The intent of this Request for City Council Action is to facilitate City Council discussion and seek approval of a motion authorizing the City Administrator to proceed with development of a business aid program within the municipal boundaries. It is suggested that City Council authorize up to \$320,000 from the Cares Act (AZCares) funding in order to provide for such a program. Eligibility criteria such as City of Yuma business license, length of business licensed operations in the City of Yuma, small business definitions and amounts will be finalized by City Administration and communicated to City Council prior to initiation of the public application process.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$320,000.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$320,000.00		
	FISCAL IMPACT STATEMENT: City Council authorization would allow use of funding from the Cares Act (AZCares).			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK: 1. 2. 3. 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="radio"/> Department <input checked="" type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Philip Rodriguez		7/14/2020	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard Files		7/14/2020	
RECOMMENDED BY (DEPT/DIV HEAD):		DATE:		
WRITTEN/SUBMITTED BY:		DATE:		