



URGENT ITEM AGENDA MATERIAL

Government Code Section 54954.2(b)
Rules of Procedure Chapter III.C.5

THIS ITEM IS NOT YET AGENDIZED AND MAY OR MAY NOT BE ACCEPTED FOR THE AGENDA AS A LATE ITEM, SUBJECT TO THE CITY COUNCIL'S DISCRETION ACCORDING TO BROWN ACT RULES

Meeting Date: December 1, 2020

Item Description: Accept \$232,500 from East Bay Community Foundation and Allocate \$200,000 to County CARES Act Matching Fund and \$50,000 to Outdoor Dining Support Grant Program

This item is submitted pursuant to the provision checked below:

- Emergency Situation (54954.2(b)(1) - majority vote required)
Determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.
- Immediate Action Required (54954.2(b)(2) - two-thirds vote required)
There is a need to take immediate action and the need for action came to the attention of the local agency subsequent to the agenda for this meeting being posted.

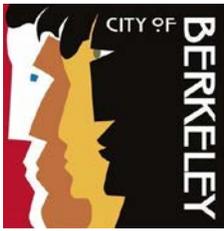
Once the item is added to the agenda (Consent or Action) it must be passed by the standard required vote threshold (majority, two-thirds, or 7/9).

Facts supporting the addition of the item to the agenda under Section 54954.2(b) and Chapter III.C.5 of the Rules of Procedure:

City staff became aware after the posting of the December 1, 2020 meeting agenda of an opportunity to participate in a matching grant program with the County of Alameda to provide additional grants to Berkeley businesses impacted by the COVID-19 pandemic.

The County has launched a CARES Grant program to provide grants to local businesses with an allocation of \$5 million from CARES Act funds allocated to the County. In addition to the \$5 million that is available in this program, the County has also set aside \$3 million to match any city that is willing to pledge funds to the grant program. The East Bay Economic Development Alliance is administering the grant program and funds need to be dispersed before the end of the year.

The County is requiring local governments that want to participate in this matching grant program to approve an allocation of matching funds by today, December 1, 2020. In addition, the funding needs to be dispersed to qualifying businesses before the end of the year in order to take advantage of federal CARES Act funds. This request is time sensitive and the City of Berkeley should take advantage of this matching opportunity to expand the support provided to Berkeley businesses.



CONSENT CALENDAR
December 1, 2020

To: Members of the City Council
From: Councilmember Ben Bartlett and Mayor Jesse Arreguin (Co-Authors)
Subject: Accept \$232,500 from East Bay Community Foundation and Allocate \$200,000 to County CARES Act Matching Grant Program and \$50,000 to Outdoor Dining Support Grant Program

RECOMMENDATION

Adopt a Resolution accepting a \$232,500 payment from the East Bay Community Foundation of funds raised by the Berkeley Relief Fund, and:

- 1) Allocate \$200,000 to finance grant payments for eligible Berkeley businesses through the Alameda County CARES Grant Program and authorize the City Manager, subject to the review and approval of the City Attorney, to enter into a Memorandum of Understanding or any other agreement necessary for the city to allocate \$200,000 from the Berkeley Relief Fund in order to participate in the grant matching program proposed by Alameda County as part of the Alameda County CARES Grant Program.
- 2) Allocate \$50,000 (\$32,500 from East Bay Community Foundation and \$17,500 from the prior phase of Berkeley Relief Fund) to provide grants to enable businesses to transition to outdoor commerce.

CURRENT SITUATION

The COVID-19 pandemic has taken a significant toll on businesses and non-profit organizations, with many businesses seeing a significant reduction of income and some being forced to close due to rent increases and declining sales. To alleviate these impacts, Alameda County has allocated \$5 million of CARES Act funding to an Alameda County CARES Grant Program for small businesses. The maximum grant a business can receive is \$5,000. In addition to the \$5 million that is available in this program, the City recently learned that County has also set aside \$3 million to match any city that is willing to pledge funds to the grant program. The City of Berkeley should take advantage of this matching opportunity to expand the support provided to Berkeley businesses.

There is a balance of \$232,500 in the Berkeley Relief Fund prioritized for small businesses, nonprofit arts organizations, and residential tenants that are hardest hit by the COVID-19 pandemic. The City should pledge \$200,000 of this funding to the Alameda County's CARES Grant Program in order to expand the number of businesses that will benefit from the program. This amount will be matched dollar for dollar by Alameda County for a total of \$400,000 in additional funding to support Berkeley

businesses. All of the Berkeley businesses that apply to the grant will be set aside and selected at random until the \$400,000 is exhausted. In addition, the City should allocate the remaining funds (\$32,500) to businesses that need support with transitioning to outdoor dining.

Applications from small businesses for the Alameda County CARES Grant Program were due November 30, 2020 and Alameda County has asked any city that wants to participate in its matching program to indicate their interest by the application deadline and provide a resolution that identifies the amount of funds that are available and committed to Alameda County's matching program. The City has indicated its interest in participating in the program but adoption of the attached Resolution is necessary to formally partner with Alameda County.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, AND LAWS

On March 17, 2020, the Berkeley City Council approved \$3 million for emergency relief grants to small businesses, nonprofit arts organizations, and residential tenants that are hardest hit by the COVID-19 pandemic. The Mayor's office reached out to civic leaders to help set up this relief fund. The committee includes, but is not limited to, representatives from the following:

- The Mayor's office
- Berkeley Community Media
- Berkeleyside
- Berkeley Chamber
- Berkeley Merchants United
- Visit Berkeley
- Downtown Berkeley Association
- Telegraph Business Improvement District
- Freight and Salvage
- Berkeley Repertory Theatre
- The David Brower Center
- Berkeley Public Schools Fund
- Berkeley Property Owners Association
- UC Berkeley

The East Bay Community Foundation has generously stepped forward to be the fiscal agent for the City in collecting donations and forwarding them to the City, where they will be maintained in a partitioned dedicated fund, to only be used for grants to small businesses and arts nonprofits, and worker's rent support.

RATIONALE FOR RECOMMENDATION

Berkeley has roughly 5,000 small businesses and over 150 arts organizations that need critical economic support as COVID-19 cases rise again. The City has the perfect opportunity to multiply the amount of funding available to support small businesses. By pledging \$200,000 from the Berkeley Relief Fund to the County's CARES Act matching fund, the City will be able to secure a total of \$400,000 of funding for small businesses

impacted by COVID-19. In addition, as case rates increase and many counties have moved to the purple tier, outdoor dining is a critical part of sustaining restaurants and other businesses during the pandemic. The City should also allocate remaining funds in the Berkeley Relief Fund (\$32,500) to those in need of support with weatherizing their outdoor dining area or transitioning to outdoor dining. This amount will be combined with prior funding in the amount of \$17,500 resulting in a total of \$50,000 for a grant program to assist businesses.

FISCAL IMPACTS

If the City pledges \$200,000 from the Berkeley Relief Fund to Alameda County's small business grant program, the County will match the funding and allow the City to provide \$400,000 in grants to Berkeley businesses impacted by COVID-19.

CONTACT PERSON

Councilmember Ben Bartlett	510-981-7130
Mayor Jesse Arreguin	510-981-7100

ATTACHMENTS

1. Resolution
2. Alameda County CARES Grant Program Overview
3. Alameda County CARES Grant – Matching Funds Pool for Alameda County Cities

RESOLUTION NO.

FUNDING FOR ALAMEDA COUNTY CARES GRANT PROGRAM AND SUPPORT FOR BUSINESSES TO TRANSITION TO OUTDOOR COMMERCE

WHEREAS, Berkeley's businesses and nonprofits have been severely impacted by the COVID-19 pandemic, experiencing extreme reductions of revenue; and

WHEREAS, on March 17, 2020, the City of Berkeley helped to launch the Berkeley Relief Fund by allocating \$3 million to grant programs for businesses, nonprofits, arts organizations and renters impacted by the pandemic; and

WHEREAS, in addition to the City's initial allocation, the generous residents, business community, and philanthropists of Berkeley have contributed over \$1.5 million to the Berkeley Relief Fund to support the community's recovery from the pandemic and the associated economic crisis; and

WHEREAS, staff from the Office of Economic Development launched the Business Continuity Grant program to provide grant funding to businesses and nonprofits that have experienced revenue losses due to the pandemic, and received 1,058 applications; and

WHEREAS, in the first and second phase of the Business Continuity Grant program the City issued grants to roughly 700 businesses; and

WHEREAS, after grants were distributed there remains a positive balance in the Berkeley Relief Fund account of \$232,500; and

WHEREAS, the East Bay Community Foundation is prepared to transfer to the City of Berkeley a \$232,500 payment of funds held for the Berkeley Relief Fund, which will be deposited into Fund 363- One Time Grant, No Capital Expenditures; and

WHEREAS, to alleviate the economic impacts of the pandemic, Alameda County has allocated \$5 million of CARES Act funding to an Alameda County CARES Grant Program to provide grants to small businesses in an amount that will not exceed \$5,000; and

WHEREAS, in addition to the \$5 million that is available in this program, Alameda County has set aside \$3 million to match any city that is willing to pledge funds to the grant program; and

WHEREAS, the City should pledge \$200,000 of funds from the Berkeley Relief Fund to Alameda County's CARES Grant Program in order to expand the number of businesses that will benefit from the program. This amount will be matched dollar for dollar by Alameda County for a total of \$400,000 in additional funding to support Berkeley

businesses. All of the Berkeley businesses that apply to the grant will be set aside and selected at random until the \$400,000 is exhausted; and

WHEREAS, restaurants are in need of financial support in order to reduce the risk of viral transmission and maintain sufficient operating capacity by expanding outdoor dining, especially as case rates increase and we enter the winter season.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that a \$232,500 payment from the East Bay Community Foundation be accepted; and

BE IT FURTHER RESOLVED, that \$200,000 of the \$232,500 payment from the East Bay Community Foundation be used as matching funds to finance grant payments for eligible Berkeley businesses through the Alameda County CARES Grant Program; and

BE IT FURTHER RESOLVED that the City Manager is authorized subject to the review and approval of the City Attorney, to enter into a Memorandum of Understanding or any other agreement necessary for the City to allocate \$200,000 from the East Bay Community Foundation in order to participate in the grant matching program proposed by Alameda County as part of the Alameda County CARES Grant Program; and

BE IT FURTHER AND FINALLY RESOLVED that the City Manager is authorized to allocate the \$32,500 in remaining funds from the East Bay Community Foundation, in addition to prior unspent funds from the Berkeley Relief Fund in the amount of \$17,500 to establish a grant program to assist businesses transitioning to outdoor dining and commerce in Berkeley.



OVERVIEW

The **Alameda County CARES grant program** was authorized by the Alameda County Board of Supervisors on November 10, 2020 when the Board redirected \$5 million in CARES Act funds for a small business grant program in response to the economic, health and safety impacts of the COVID-19 pandemic. Grants are intended to assist small businesses with covering necessary costs due to the COVID-19 public health emergency incurred between March 17, 2020 and December 30, 2020. Eligible businesses can receive a one-time grant of up to \$5,000.

The program prioritizes grants for small, local and emerging businesses within Alameda County to assist with the costs of business interruption caused by COVID-19. The grant does not require a matching contribution from the applicant and will not require repayment. Funds are limited and not everyone who applies is guaranteed to receive funding.

ELIGIBILITY

- Businesses physically located in Alameda County (excluding the unincorporated areas) that have been negatively impacted by COVID-19
- Must agree to follow State of California & Alameda County Public Health Department COVID-19 guidelines to maintain a safe workplace
- Employ between 1 and 25 employees (self-employed individuals are also eligible)
- Valid business license for the location
- Must upload a business IRS Form W-9
- Business has been negatively impacted by one of these measures
 1. Closure of any length due to COVID-19;
 2. Layoff of one or more staff due to COVID-19

Exclusions: Alameda County CARES grants excludes all chain businesses not headquartered in Alameda County, financial institutions, banks, lenders, landlords of residential or commercial businesses, publicly traded companies, and non-profit entities.

USE OF FUNDS

Funds from Alameda County CARES grants may only be used for unreimbursed costs incurred from March 17, 2020 to December 30, 2020 for the following items:

- Rent/lease/mortgage and utility payments for business facilities
- Payroll
- Operating Expenses such as supplies, materials, insurance, etc.
- Personal Protective Equipment (PPE), sanitation or health & safety equipment
- Reimbursement for digital technology equipment and/or platforms
- Interior & exterior physical adaptations (e.g., partitions, signage, outdoor seating, etc.)

For details, FAQ, and online application, please
visit: <https://eastbayeda.org/grants>

Deadline to Apply:
Monday, 11/30 at 11:30 PM



MATCHING FUNDS POOL FOR ALAMEDA COUNTY CITIES

The **Alameda County CARES Grant** program was established by the Alameda County Board of Supervisors on November 10, 2020 when the Board redirected \$5 million in CARES Act funds for a small business grant program in response to the economic, health and safety impacts of the COVID-19 pandemic. In setting up the Alameda County CARES Grant program, the Board of Supervisors also authorized the redirection of up to \$3,000,000 in additional funds for cities in Alameda County as matching funds for the purpose of expanding the available pool of funds to support additional small business grants in participating cities. This pool of funds is being made available for a 100% match (1:1) for cities to access on a first-come, first-served basis in accordance with the Alameda County CARES Grant program guidelines. Each small business grant awarded through the matching funds pool will be exactly \$5,000.

Grants are intended to assist small businesses with covering necessary costs due to the COVID-19 public health emergency incurred between March 17, 2020 and December 30, 2020. Eligible businesses can receive a one-time grant of up to \$5,000. The program prioritizes grants for small, local and emerging businesses within Alameda County to assist with the costs of business interruption caused by COVID-19.

Evidence and Source(s) of Committed Match

Alameda County will make available a total pool of up to \$3,000,000 in matching CARES Act funds for cities to leverage at 100% (e.g. City X commits an investment of \$100,000, which in turn makes available an additional \$100,000 from Alameda County). A city may use any funding source it determines to be allowable to add to the matching funds pool.

Cities must demonstrate their commitment of matching funds by providing one of the following to Alameda County no later than November 30, 2020:

- 1) City Council resolution or other action that identifies the amount of funds available and committed to match additional Alameda County CARES small business grants in respective cities.
- 2) Letter or other formal written commitment from Mayor, City Manager, or other designated authority attesting the amount of funds available and committed to match additional Alameda County CARES small business grants in respective cities.

Access to the matching funds pool is available on a first-come, first served basis until the total available matching funds pool of \$3,000,000 is reached. Requests will be recognized in the order in which the county has received written commitment from a city to invest. Following the receipt of either of the above items, Alameda County will provide written confirmation of its capacity and commitment to provide matching funds to a participating city's contribution of matching funds.

Funds Administration, Payments, and Tracking

- 1) Cities must provide funds to Alameda County to access the county's matching funds pool and make payment to the county by December 15, 2020. Grants from the matching funds pool are contingent upon timely receipt of city payments.
- 2) Funds received from a participating city will be used only to pay for grants within its jurisdiction.
- 3) The total number of businesses selected to receive grants will be based upon the total funds available divided by \$5,000. (Each grant awarded to an Alameda County small business out of the matching funds



pool will be exactly \$5,000, so a combined pool of \$100,000 would provide 20 grants to small businesses.)

- 4) Each small business grant awarded through the matching funds program will be paid for using equivalent amounts of city and county funds (e.g. a single \$5,000 grant will be paid using \$2,500 in city funds and \$2,500 in county funds).
- 5) In the event that a city's payment of funds is not fully expended through the program, Alameda County will refund the city its unused portion of funds within twenty (20) business days after all grant payments have been issued by the county.

Grant Application and Selection Process

Alameda County will disburse additional small business grants from the combined city/county matching funds pool as follows:

- 1) Any business that is awarded a grant **must** have completed an application through the Alameda County CARES Grant program portal, which is available online through November 30, 2020 at 11:30 p.m. at <https://eastbayeda.org/grants/>.
- 2) After the Alameda County CARES Grant program portal closes, Alameda County (East Bay EDA) staff will inform cities investing matching funds about the number of applications received for the program from their jurisdiction.
- 3) Grants to businesses in a city that provides matching funds will be awarded by lottery unless the total dollar amount of grant applications from businesses in that city is lower than the available funding pool for that city.
- 4) The program will conduct a separate lottery for businesses from each city that provides matching grant funds. Once each of the city lotteries has been conducted, there will be a countywide lottery for all applicants.
- 5) Businesses that are not awarded grants through the individual city lotteries will automatically be entered in the countywide grant lottery.
- 6) Alameda County will issue all grant payments to small businesses in mid-December.
- 7) Following the payment of all Alameda County CARES grants, Alameda County will provide each city with a list of each small business in the respective city that received a grant.