



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: November 25, 2020

TO: Board of Supervisors

SUBJECT

SMALL BUSINESS STIMULUS GRANT PROGRAM 2.0: EMERGENCY ASSISTANCE FOR BUSINESSES IMPACTED BY PURPLE-TIER RESTRICTIONS (DISTRICTS: ALL)

OVERVIEW

As the COVID-19 pandemic continues to spread across the globe, our region continues to be impacted by this unprecedented health emergency. As of this writing, there have been 72,815 positive cases and 968 deaths in San Diego County.

Given the current number of cases in our region, the County is now in the purple tier on the State of California's COVID-19 *Blueprint for a Safer Economy*, causing certain businesses to have to close once more in an attempt to limit the spread of the virus. Understanding that businesses adversely affected by the purple-tier may be disproportionately impacted in their ability to remain in operation, and acknowledging that many may have to shutter permanently, we bring this proposal forward to provide immediate relief to these businesses.

On May 19, 2020 (28), August 4 (3), and October 13 (13), the Board approved a total of \$27.5 million of CARES Act Coronavirus Relief Fund funds for economic stimulus grants for restaurants and small businesses. In that same spirit, we request Board approval for an additional \$20 million to assist businesses most impacted by the State's highest tier restrictions.

As members of the Board of Supervisors COVID-19 subcommittee, we urge your support.

RECOMMENDATION(S)

CHAIRMAN GREG COX AND SUPERVISOR NATHAN FLETCHER

1. Approve the amended San Diego County Small Business Stimulus Grant Fund Program and authorize the Chief Administrative Officer to execute grant agreements with qualifying business selected by each Supervisorial District Office (totaling up to \$4 million per District), disburse checks and take any other actions necessary to administer the program.

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2. Direct the Chief Administrative Officer to establish appropriations of \$20,000,000 in Finance Other - Countywide General Expense, Other Charges, for the Small Business Stimulus Program based on available prior year General Fund fund balance. **(4 VOTES)**
3. Direct that any additional Federal or State stimulus funding, such as CARES Act Coronavirus Relief Fund allocations, received by the County of San Diego during Fiscal Year 2020-21, be prioritized for replacement of General Fund Unassigned Fund Balance used for this program as a funding source, provided that such use adheres to Federal and/or State guidance published for the referenced stimulus funding and that any unused portion of existing CARES Act Coronavirus Relief Fund allocations received by the County of San Diego be prioritized for replacement of General Fund Unassigned Fund Balance as a funding source used for this initiative.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2020-21 Operational Plan in Finance Other - Countywide General Expense. If approved, this request will result in costs of \$20,000,000. The funding source is available prior year General Fund fund balance. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

This action will help support individuals, families and small businesses impacted by COVID-19.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As the COVID-19 pandemic continues to spread across the globe, our region continues to be impacted by this unprecedented health emergency. As of this writing, there have been 72,815 positive cases and 968 deaths in San Diego County.

Given the current number of cases in our region, the County is now in the purple tier on the State of California's COVID-19 *Blueprint for a Safer Economy*, causing certain businesses to have to close once more in an attempt to limit the spread of the virus. Understanding that businesses adversely affected by the purple-tier may be disproportionately impacted in their ability to remain in operation, and acknowledging that many may have to shutter permanently, we bring this proposal forward to provide immediate relief to these businesses.

Despite improved financial conditions reported to the Board of Supervisors during the economic update on October 27, 2020, the reality is that many businesses are on the brink of closure and this new placement in the purple-tier may force some operations to shutter permanently.

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As it is, red-tier restrictions only allow for a limited percentage of indoor operations while purple-tier eliminates all indoor operations and forces businesses to move their operations outdoor. This specifically impacts restaurants, gyms, fitness centers, yoga studios, movie theaters, museums, zoos, and aquariums – many of which do not have any more capacity outdoor. Add to that, changes in customer behavior due to cold weather and the rising number of cases which leads to a significant decrease in revenue.

For these reasons, we recommend economic assistance to the following industries impacted by the movement from the red-tier to the purple-tier:

- Restaurants
- Gyms and fitness centers, including yoga studios
- Movie theaters
- Museums
- Zoos and aquariums

Eligible expenses will mirror the previous small business stimulus grant program and include rent, payroll assistance, outstanding invoices, personal protective equipment, specialized cleaning supplies, and any other costs associated with moving operations outdoor that is in compliance with the County’s Safe Reopening guidelines. The County website will host the grant application.

Our Board had previously allocated funds to assist in providing economic stimulus relief to those affected by our current public health crisis. On May 19, 2020 (28), August 4 (3), and October 13 (13), the Board approved a total of \$27.5 million of CARES Act Coronavirus Relief Fund funds for economic stimulus grants for restaurants and small businesses. In that same spirit, we request Board approval for an additional \$20 million to assist businesses most impacted by the State’s highest tier restrictions.

As members of the Board of Supervisors COVID-19 subcommittee, we urge your support.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed action to provide grants to small businesses and restaurants supports the Sustainable Environments/Thriving Strategic Initiative in the County of San Diego’s 2020-2025 Strategic Plan by keeping small businesses in operation.

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Respectfully submitted,



GREG COX
Chairman



NATHAN FLETCHER
Supervisor, Fourth District

ATTACHMENT(S)

Attachment A – Amended Small Business Stimulus Grant Program Fund Guidelines

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

October 13, 2020 (13) Approval of additional funding for Economic Stimulus Program;
August 4, 2020 (03) Approval of additional funding for Economic Stimulus Program dedicated to food service businesses; May 19, 2020 (28) Approval of Economic Stimulus Program
March 24, 2020 (19), Protecting Tenants, Homeowners and small businesses affected by the novel coronavirus pandemic;

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Districts 1 and 4

OTHER CONCURRENCE(S): N/A

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