

**CITY OF HOMER
HOMER, ALASKA**

Mayor/Lord/Aderhold

RESOLUTION 20-057

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
ESTABLISHING A SMALL BUSINESS ECONOMIC RELIEF GRANT
(SBERG) PROGRAM IN RESPONSE TO THE ECONOMIC UPHEAVAL
CAUSED BY THE MEASURES TAKEN TO ASSURE PUBLIC SAFETY IN
THE FACE OF THE COVID-19 PANDEMIC

WHEREAS, On January 31, 2020, the United States Department of Public Health and Human Services Secretary, Alex Azar, declared a public emergency for the novel coronavirus (Covid-19) beginning on January 27, 2020; and

WHEREAS, On March 11, 2020, Governor Mike Dunleavy signed a Public Health Disaster Emergency Declaration that provided for health mandates to be issued when deemed necessary by the Alaska Department of Health and Social Services, the Alaska Chief Medical Officer, the Alaska Division of Public Health, and the Office of the Governor; and

WHEREAS, On March 17, 2020, Governor Dunleavy, in recognition of the tremendous negative economic consequences of imposing social and business restrictions to avoid a rapid spread of the virus effects created the Alaska Economic Stabilization Team, a bipartisan group of leaders working with the Dunleavy administration on a plan to protect the state's economy from the impact of Covid-19 in Alaska; and

WHEREAS, On March 18, 2020, Ken Castner, Mayor of the City of Homer, issued a Declaration of a Local Emergency, later ratified and extended by the Homer City Council through Resolution 20-029, that found there to be "a wide-spread financial and public health emergency that will require unexpected expenditures of public funds that should be separately accounted, to perhaps be eligible for Emergency Disaster Relief"; and

WHEREAS, The Dunleavy administration has issued a series of compulsory, and later suggestive, directives and mandates that closed many businesses, placed restrictions on those businesses that might remain open, ceased most interstate and intrastate travel, and generally kept most citizenry isolated and at home; and

WHEREAS, The Dunleavy administration has issued a series of compulsory, and later suggestive directives and mandates including "stay at home" orders, the banning of all gatherings of more than 10 people for social, spiritual, and recreational purposes, and further imposed that any activities outside the home meet social distancing and personal safety requirements; and

43 WHEREAS, The message of avoiding unnecessary personal interactions as a preventive
44 measure also caused more online shopping, and a reduction of local trade; and
45 WHEREAS, the cumulative effects of the State mandates and restrictions have caused
46 significant negative economic impacts on Homer's small businesses and workers; and
47

48 WHEREAS, Small businesses are the backbone of the City's economy and provide
49 employment opportunities and provide essential services to the community; and
50

51 WHEREAS, the continued disruption and slow reentry have depleted reserves of many
52 small businesses and created a serious, and in many cases critical, danger to their economic
53 viability; and
54

55 WHEREAS, The State of Alaska received \$562.5 million in federal funding under the
56 Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that is directed to Alaska's
57 municipalities for direct relief designed to help meet each community's costs associated with
58 coping with Covid-19; and
59

60 WHEREAS, Funds from this program may be used to provide small business grants to
61 businesses that suffered interruptions caused by the required State restrictions and mandates
62 related to Covid-19; and
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64 WHEREAS, The City of Homer's total allocation is \$7,899,085.29; and
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66 WHEREAS, on May 26, 2020, the Homer City Council passed Resolution 20-051 accepting
67 the CARES Act grant and authorizing the City Manager to sign the grant agreement; and
68

69 WHEREAS, the first distribution to the City is scheduled to be in the amount of
70 \$3,867,758.79; and
71

72 WHEREAS, The Homer City Council believes the Covid-19 pandemic and actions taken
73 as a result to protect public health as described above have created immediate necessity for
74 economic relief to the small businesses within the City of Homer.
75

76 NOW THEREFORE BE IT RESOLVED that the City of Homer establishes a Small Business
77 Economic Relief Grant (SBERG) Program to respond to the economic hardships for businesses
78 in the City of Homer as a matter of necessity as a result of the Covid-19 pandemic and
79 associated health mandates.
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81 BE IT FURTHER RESOLVED that the parameters of the SBERG Program are adopted as
82 the SBERG Program Policy under this resolution.
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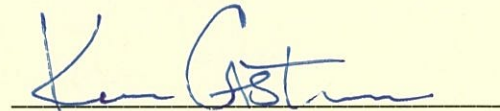
BE IT FURTHER RESOLVED that the City of Homer will exercise best efforts to communicate the opportunity for this program throughout the community and provide technical assistance to those working to submit successful applications to the grant program.

BE IT FURTHER RESOLVED that City administration will provide regular reports to the Homer City Council about the status of the SBERG Program including information such as the number of applications received, number of applications processed, and account balances of the program fund.

BE IT FURTHER RESOLVED that nothing in this Resolution shall preclude the Homer City Council from creating additional distributions to businesses, organizations, or individuals that follow CARES Act prescriptions, and that the provisions of this Resolution become effective upon adoption and shall continue until further formal action of the Homer City Council or until the date that all CARES Act funds must be expended on eligible costs by December 30, 2020.

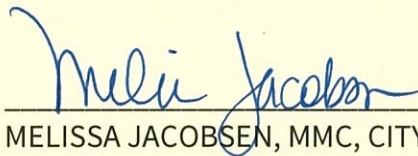
PASSED AND ADOPTED by the Homer City Council on this 8 day of June, 2020.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER COVID-19
SMALL BUSINESS ECONOMIC RELIEF GRANT (SBERG) PROGRAM POLICY
GRANT PROCEDURES AND CRITERIA**

Purpose

The City of Homer's Small Business Economic Relief Grant (SBERG) Program is designed to provide the maximum amount of funds to the maximum number of businesses that have a place of business in Homer, have a recent history of City of Homer sales tax collection, and can certify they have suffered a loss of revenue due to the novel coronavirus (Covid-19). The City of Homer, using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, has allocated \$3,000,000 to be distributed through this program in \$3,000 grants.

Eligibility Criteria

1. Must have a physical place of business situated within the City of Homer (Examples include but are not limited to an office, home-based business, restaurant, store). The primary business activity must occur within the City limits.
2. Must be considered a small business as defined by the State of Alaska AK CARES Grant Program, which states that a small business has, on average, 50 or fewer full-time equivalent employees.
3. Must have filed a sales tax report with the Kenai Peninsula Borough within the third quarter of 2019, the fourth quarter of 2019, or the first quarter of 2020, that indicates City of Homer taxable sales.
4. Must not be delinquent on payments and filed returns with the Kenai Peninsula Borough Tax Department with no missed filings or balance due on record.
5. All applicants must disclose and certify and provide a brief explanation as to how the business suffered a loss of revenue because of the Covid-19 pandemic. The business must agree it was/is negatively impacted by the COVID pandemic either through rapid expansion or adaptation to serve the community or because of forced closure in the name of public health. If it is determined the SBERG funds were used for an ineligible purpose, the applicant may be required to return those funds back to the City.
6. Cannot be a marijuana related business or a business that has filed for bankruptcy.
7. A business may only apply one time for this grant.
8. The City reserves the right interpret the terms of this program.

Grant funds may be used for:

1. Payment of rent or required monthly loan payments (i.e., mortgage)
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business
3. Normal operating costs that are included in "cost of goods sold" on business's income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.)
4. Normal operating expenses that are included in "operating expenses" on businesses' income statement (utilities, insurance, professional services, etc.)
5. Normal draw or wages on a weekly or monthly basis to owner
6. Purchase of personal protective equipment required by the business
7. Expenses incurred to replenish inventory or other necessary re-opening expenses

Grant funds may not be used for:

1. Any expense that would not be considered an eligible business expense by IRS rules
2. Political contributions
3. Bonuses to owners or employees
4. Wages to any member of owner's family who is not a bona fide employee
5. Charitable contributions
6. Gifts or parties
7. Draw or salary to owner that exceed the amount that they were paid on a weekly or monthly basis for the same period in 2019
8. Pay down or pay off debt by more than required in underlying debt instrument
9. Any expense considered ineligible under the State of Alaska CARES Act grant program

Process

1. The City will begin collecting applications as soon as practicable once City administration has developed and staffed the program. The deadline for applications is September 25, 2020 or the date when appropriated funds have been expended (whichever comes first). Applications will be accepted on a rolling basis.
2. Business information provided in the SBERG application will be kept confidential to the extent authorized by law.
3. The business owner must fill out the application available online at the City of Homer website or paper application available from the Clerk's office. Paper applications must be returned to the Finance Department.

4. The application must be submitted with a W-9 form from the Internal Revenue Service.
5. Upon receipt of a complete application and verification of eligibility requirements, a grant payment in the amount of \$3,000 shall be disbursed to the applicant. Payments shall be dispersed to eligible applicants on a rolling basis. Applicants will be notified via email once their application has been approved.
6. Applicants who submit incomplete applications or whose requests are denied will be notified via email.
7. A 1099 Misc. income form will be provided by the end of the year.
8. It is the responsibility of the applicant to determine whether:
 - a. Proceeds from the grant are taxable, or
 - b. The receipt of a grant under this program precludes eligibility for any other grant or aid programs.
9. Grant proceeds are to be used for eligible Covid-19 emergency related expenses, whether those expense were previously paid, are currently unpaid, or are held in arrears.
10. Grants under this program are subject to audit. Businesses are required to maintain records for a period of 6 years.

