



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  
63

64 WHEREAS, The City of Homer's total allocation is \$7,899,085.29; and  
65

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.  
80

81 BE IT FURTHER RESOLVED that the parameters of the SBERG Program are adopted as  
82 the SBERG Program Policy under this resolution.  
83

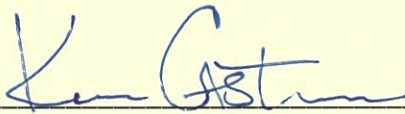
84 BE IT FURTHER RESOLVED that the City of Homer will exercise best efforts to  
85 communicate the opportunity for this program throughout the community and provide  
86 technical assistance to those working to submit successful applications to the grant program.  
87

88 BE IT FURTHER RESOLVED that City administration will provide regular reports to the  
89 Homer City Council about the status of the SBERG Program including information such as the  
90 number of applications received, number of applications processed, and account balances of  
91 the program fund.  
92

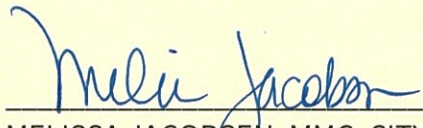
93 BE IT FURTHER RESOLVED that nothing in this Resolution shall preclude the Homer City  
94 Council from creating additional distributions to businesses, organizations, or individuals that  
95 follow CARES Act prescriptions, and that the provisions of this Resolution become effective  
96 upon adoption and shall continue until further formal action of the Homer City Council or until  
97 the date that all CARES Act funds must be expended on eligible costs by December 30, 2020.  
98

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

100  
101 CITY OF HOMER

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103 \_\_\_\_\_  
104 KEN CASTNER, MAYOR  
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106  
107 ATTEST:

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109 \_\_\_\_\_  
110 MELISSA JACOBSEN, MMC, CITY CLERK  
111  
112

113 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.