



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: October 7, 2020

REPORT TO: Mayor and City Council
REPORT FROM: Daphne Hooper, City Manager
REVIEWED BY: Brandi Jensen, City Attorney
REVIEWED BY: Denise Lewis, City Treasurer

FINANCIAL IMPACT:

Yes: No:

CURRENTLY BUDGETED:

Yes: No:

FUND/ACCOUNT:

220-480-800 Project #: 220.002.2

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action): Discussion and Possible Action to amend the eligibility criteria for the COVID-19 Small Business Economic Assistance Program to allow for applicants who have received prior federal or state COVID-19 assistance to qualify with the provision that the business may not “double dip” by using other COVID-19 economic financial assistance and the Grant received by the City for the same expenses.

Agenda Item Brief: The City has received 39 applications for the economic assistance program and awarded 24 business. Eight of the applicants were ineligible due to receiving prior federal, state or local COVID-19 funding. Staff would like to open the eligibility criteria to allow for businesses who have received prior COVID-19 funding to apply under the provision that the business may not “double dip” by using other COVID-19 economic financial assistance and the Grant received by the City for the same expenses.

Recommended Motion:

“I move to amend the eligibility criteria for the COVID-19 Small Business Economic Assistance Program to allow for applicants who have received prior federal, state or local COVID-19 assistance to qualify with the provision that the business may not “double dip” by using other COVID-19 economic financial assistance and the Grant received by the City for the same expenses.

Business Impact (per NRS Chapter 237):

- A Business Impact Statement is Attached.
- A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Council may decide not to provide financial support to local businesses that have already received COVID-19 financial assistance or direct staff to develop a different plan other than what is presented.

BACKGROUND:

On July 1st, 2020, City Council approved the CARES Act funding plan of which \$250,000 was set aside for Small Business Grants, in addition to the TLT funds.

On July 7, 2020, the FCTA Board approved to distribute fifty (50) grants in the amount of \$5000 each to local small businesses who were negatively affected by the pandemic utilizing only the CARES Act funding. The City received 34 applications. Twenty-one (21) applications met the established qualifying criteria expending \$105,000 of the \$250,000 set aside for the local businesses. Staff recommended opening a second round of grant applications utilizing the remaining \$145,000 and amending the criteria to allow for other businesses to apply.

On September 2, 2020 City Council approved the COVID-19 Small Business Economic Assistance Program to assist the City's business community in recovering from the fiscal impacts of the COVID-19 pandemic by providing economic support. Council approved opening up the eligibility criteria to include businesses who did not have to close their business due to the stay at home order but had a severe reduction in operations. The City received only five applications.

RECOMMENDATIONS:

The City has received 39 applications for the economic assistance program and awarded 24 businesses. Seven of the applicants were ineligible due to receiving prior federal, state or local COVID-19 funding. Staff would like to open the eligibility criteria to allow for business who have received prior COVID-19 funding under the provision that the business may not "double dip" by using other COVID-19 economic financial assistance and the Grant received by the City for the same expenses.

To properly monitor whether COVID-19 funds are not being used for the same expenses is to require businesses to prove or show exactly what they used the other assistance for in addition to the submission of COVID-19 eligible expenses for the City of Fernley Small Business Economic Assistance Program. The applicant would also sign an agreement that they will not illicitly accept COVID-19 related income from two mutually exclusive sources for the same eligible expenses.

Staff also recommends the City accept applications until 50 eligible applications are received or date, November 16, 2020, whichever comes first.

PRIOR COUNCIL ACTION:

September 2, 2020, Council approved new eligibility requirements to include businesses that were not closed but had a severe reduction in operations. **Motion Passed**

August 12, 2020, the FCTA Board did not pass the second round of grants to include those businesses who had already received COVID-19 assistance. **Motion Failed**

July 7, 2020, the FCTA Board approved to distribute fifty grants in the amount of \$5000 each to local small businesses who were negatively affected by the pandemic. **Motion Passed**

June 11, 2020, FCTA Board approved to establish grant guidelines, amount, and procedures for the distribution of TLT fund to local businesses affected by the COVID-19 pandemic for grant period July 1 – December 31, 2020. **Motion Passed**

June 3, 2020, City Council adopted Resolution 20-010 granting the FCTA Board the authority to spend TLT funds for local businesses and to determine grant guidelines on how to distribute the funds. **Motion Passed**

May 20, 2020, City Council directed staff to move forward in developing a resolution and application criteria for

FCTA funding distribution for July 1, 2020 – December 31, 2020 to local businesses. **Motion Passed**

LEGAL IMPLICATIONS:

CARES Act Section 5001
Social Security Act 601(d)

FINANCIAL IMPLICATIONS:

\$250,000 of the CARES Act funding will be used for the local small business grant. As of September 28, 2020, \$130,000 remains unawarded.

ATTACHMENTS:

Revised City of Fernley COVID-19 Small Business Economic Assistance Program Application