

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.24**

(ID # 12633)

**MEETING DATE:**

Tuesday, June 02, 2020

**FROM :** ECONOMIC DEVELOPMENT:

**SUBJECT:** ECONOMIC DEVELOPMENT (ED): Authorize creation of the COVID-19 Small Business Assistance Grant Program in the total amount of \$46,575,000; Approve the Subrecipient Agreement with Main Street Launch for the COVID-19 Small Business Assistance Grant Program without seeking competitive bids through January 31, 2021; All Districts, [\$46,575,000] 100% United States Department of Treasury CARES Act funds; CEQA Exempt

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301;
2. Authorize the creation of the County of Riverside COVID-19 Small Business Assistance Grant Program (Grant Program) to assist small businesses in the County of Riverside to respond and recover from COVID-19 related economic impacts to be administered by the Riverside County Business and Community Services department, providing funding for eligible small businesses within the county in amounts up to \$10,000;
3. Approve the attached Subrecipient Agreement for COVID-19 Small Business Assistance Grant Program with Main Street Launch for grant services on behalf of the Grant Program without seeking competitive bids in an amount not to exceed \$46,575,000 through January 31, 2021, derived from United States Department of Treasury's Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Coronavirus Relief Fund, and authorize the Chairman of the Board to sign the Subrecipient Agreement on behalf of the County;
4. Authorize the Director of the Business and Community Services department (formerly known as the Economic Development Agency), or designee, to take any and all necessary steps to implement and administer the Grant Program and the Subrecipient Agreement with Main Street Launch, including, signing subsequent, necessary and related documents to complete this transaction, including but not limited to individual COVID-19 Small Business Assistance Grant Agreements, substantially conforming in form and substance to the template attached as Exhibit D to the Subrecipient Agreement, with small businesses and Main Street Launch, subject to approval as to form by County Counsel; and;
5. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in Schedule A, attached.

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**ACTION:Policy**

  
Suzanne Holland, Director of EDA 5/26/2020

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MINUTES OF THE BOARD OF SUPERVISORS

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 46,575,000	\$ 0	\$ 46,575,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> United States Department of Treasury's CARES Act funds 100%			<b>Budget Adjustment: Yes</b>	
			<b>For Fiscal Year: 19/20</b>	

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

On May 19, 2020, the Board of Supervisors (Board) of the County of Riverside (County) accepted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding from the United States Department of Treasury in the amount of \$431,091,226 and established a budget to be administered through the Executive Office for COVID-19 expenses related to county-wide response and preparation activities. In that budget, the Board authorized the allocation of \$50,000,000 to the Riverside County Business and Community Services (RCBCS) department to be used to assist for profit small businesses affected by interruptions due to the pandemic. While this program will assist for-profit businesses in Riverside County, non-profit small businesses (NPOs) will be able to access a similar assistance grant program being developed by the Housing, Homeless Prevention and Workforce Solutions department. NPOs are a critical part of the economy and crucial in supporting the different populations affected by COVID-19 in Riverside County. This program is expected to be back to the Board of Supervisors for approval on June 9, 2020.

Riverside County Business and Community Services is proposing to implement the Riverside County COVID-19 Small Business Assistance Grant Program (Grant Program) with the goal to assist small businesses in order to promote business sustainability, job retention, and the overall economic preservation of local businesses throughout the county. Small businesses with fifty employees or less comprise approximately 96% of the total number of businesses in the County of Riverside and are therefore critical to the county's economy. The Grant Program will provide grants up to a maximum of \$10,000 per business to assist with economic impacts from COVID-19.

The Grant Program funds must be used for employee salary and other business capital and operating expenses and safe reopening protocols directly related to the immediate impacts of COVID-19 and for no other use. The Grant Program will be open to existing small businesses with at least one year of operating history with less than 50 employees. In addition, they must

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not have received funding from other federal programs such as Economic Injury Disaster Loan Program or the Paycheck Protection Plan administered by the Small Business Administration as well as any other federal government program pursuant to the CARES Act. The application process will begin with interested businesses accessing an online application through the [www.rivcobizhelp.org](http://www.rivcobizhelp.org) website. Businesses will need to complete a grant application and provide documentation to ensure they are an active business operating in Riverside County. Prior to funding, the business will need to provide a Safe Reopening Plan to implement policies and practices that will help protect employees and customers. Additionally, an agreement will also be executed by and between the business, the County, and a private sector partner that will provide grant administration and operations services for the Grant Program. The agreement will stipulate the terms and conditions of the funding.

RCBCS will partner with Main Street Launch (MSL), a nonprofit, public benefit corporation and Community Development Financial Institution (CDFI) with 41 years of experience assisting and supporting small business owners. MSL and the County will jointly market the program to ensure all areas of Riverside County are made aware of the grant program. MSL has extensive experience managing loan and grant programs and is currently assisting several municipalities with revolving, microloan and loan guarantee programs. MSL will collect applications and documents required through an online application portal, process grant requests, and recommend grant approval or denial based on submittal requirements as outlined in the Grant Program. MSL will service grant over the term of the grant period. MSL's processing costs for the grant services will be funded with COVID-19 funds so that businesses have no out of pocket expenses and there is no net county cost. MSL will report on grants to the County of Riverside pursuant to program requirements. MSL fees for services to be provided will be 3.5% of deployed capital under the Grant Program. RCBCS is recommending that \$46,575,000 be allocated to establishing a small business grant program. \$45 million will be allocated to direct business assistance and the balance of \$1,575,000 for administrative fees for MSL.

Pursuant to the California Environmental Quality Act (CEQA), the proposed Grant Program and Subrecipient Agreement were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" exemption, and Section 15301 Class 1- Existing Facilities exemption. The project includes implementing a grant program and granting of funds for use as employee salary and other business capital and operating expenses and safe reopening protocols (Project). The Project will have mostly financial impacts. The grant program and the use of grant funds are strictly for employee salary and other business capital and operating expenses and safe reopening protocols that will not alter the existing facility and is categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities, since the Project does not include any change of existing facilities and no expansion of an existing use will occur. In addition, it can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment since the Project is implementing a grant program and the granting of funds that will not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts since the existing use will be

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maintained. A Notice of Exemption will be filed by RCBCS staff with the County Clerk upon approval of the Grant Program.

RCBCS recommends that the Board approve the Riverside County COVID-19 Small Business Assistance Grant Program, the attached Subrecipient Agreement including all exhibits with Main Street Launch and authorize the Director of Business and Community Services, or designee to administer the Grant Program, Subrecipient Agreement and sign any subsequent necessary and related documents to complete this transaction, including but not limited to individual COVID-19 Small Business Assistance Grant Agreements, substantially conforming in form and substance to the template attached as an exhibit to the Subrecipient Agreement, subject to approval as to form by County Counsel.

**Impact on Residents and Businesses**

The proposed Grant Program will assist small businesses in the County that were not able to receive funding from other COVID-19 federal programs. It will allow them to access funds for business capital and operating expenses and safe reopening protocols directly related to the immediate impacts of COVID-19. This will benefit the community and will increase taxable revenue generated by these businesses as they reopen or expand their operations.

**Additional Fiscal Information**

The proposed Grant Program and the attached Subrecipient Agreement will be funded entirely by CARES Act funding from United States Department of Treasury funds and will not impact the County's General Fund.

**Attachments**

- Main Street Launch Grant Subrecipient Agreement
- Project Budget
- Scope of Services
- Riverside County COVID-19 Small Business Assistance Grant Program Framework
- Riverside County COVID-19 Small Business Assistance Grant Agreement
- Budget Adjustment