



## Memorandum

**To:** City Council Members

**From:** Dana Hinman, Administration

**CC:** Mayor Nancy Backus

**Date:** June 2, 2020

**Re:** Overview of Proposed CARES Small Business Assistance Program

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### **CARES Funding – General Description**

On March 27, 2020 the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748), also known as the CARES Act. Approximately \$2.4 million was allocated to the City of Auburn to cover various eligible costs that were incurred as a result of coronavirus. The City cannot use funds to supplant lost revenue. One eligible manner to use the CARES funding is to provide assistance to businesses that have been impacted by the coronavirus.

### **Proposed Program Overview**

Dedicate \$650,000 for the purposes of aiding small businesses that have been hardest hit by the impact of coronavirus.

Establish criteria that defines the types of businesses that would be eligible to receive grant funds that do not have to be paid back to the City.

Split \$600,000 equally amongst all businesses that meet the criteria.

Hold \$50,000 back in order to provide the same assistance to a business that meets the criteria but was not included in the database query that yielded the list (e.g. a business that was inadvertently left off).

Depending upon the final filtering of the criteria there will be between 300 and 500 businesses that will receive a one time grant allocation (between \$2,000 and \$1,200).

Example criteria include the following factors that were applied to our business license database:

- 5 or fewer employees
- Targeting businesses that were forced to close (hair stylists, nail salons, etc.)
- Located in Auburn
- Removed rental licenses
- Removed non-profit organizations

- Removed unmanned businesses (e.g. redbox)
- Removed national chain brands

### **Process for Distributing Funds**

Once the database query is complete each business will receive a notice from the City of Auburn making them aware of the program and our belief that they are eligible for this financial distribution.

Business owners will be directed to a web portal where they are able to confirm that they meet the eligibility criteria and provide an IRS W-9 form.

Once the owner has submitted this information an email will be directed to Economic Development who will double check that the owner answered the questions properly and provided the W-9.

If approved, Economic Development will notify Finance that the business qualifies for the distribution and Finance will produce a check that will be provided to the business.