

San Diego County Small Business Stimulus Grant Program Guidelines

I. BACKGROUND

The COVID-19 pandemic has devastated businesses throughout San Diego County and our regional economy. This proposal, if implemented, would assist the business community by immediately mitigating worsening economic situation. Our proposal builds on the successful allocation of two prior rounds of small business stimulus grant funding that consisted of 7,668 awards totaling \$47.5 million. This proposal for a third round of Small Business Stimulus Grant Program funding will deploy a minimum of \$30 million in additional grant assistance. Funds for implementing this third round are contingent on federal or state stimulus funding. Like the prior two rounds of the program, the third round would provide a lifeline grant to many local small businesses to keep them in business and save jobs. Grant funds will be equally distributed by the five supervisorial districts (a minimum of \$6 million per district) with 20% of the funds to be allocated based on a) Healthy Places Index (HPI) as the equity criteria; b) business sectors most affected by the pandemic as the equity criteria; or c) using (a) HPI and (b) business sectors as the equity criteria. These grant funds will be quickly disbursed throughout the community through the County of San Diego's Office of Economic Development and Government Affairs (EDGA). The County of San Diego's Small Business Stimulus Grant Funding Program will provide economic assistance to help small businesses and non-profit entities impacted by COVID-19. Financial assistance will be allocated to eligible, qualified small businesses and non-profit entities with final award recommendations based on the availability of funds, program guidelines and applicant submission of all required information and supporting documentation.

Applications will be made available by the County via an online portal. The first step of the application process will be to ensure eligibility of the applicant. Eligible applicants will be invited to immediately submit applications, subject to funding availability by district.

Applications will be provided to each supervisorial district for review and recommendation of awards. Final award information will be posted to the online portal. Successful applicants will be required to enter into a grant agreement with the County.

II. ELIGIBLE BUSINESSES

1. Must have experienced financial hardship as a result of COVID-19. These impacts must be documented, quantifiable, and clearly driven by COVID-19.
2. Private for-profit businesses and non-profits with twenty (20) or fewer full time equivalents (FTEs), including sole proprietorships and independent contractors.
3. Employers based and operating in San Diego County.

4. Minimum one-year operating history as of February 14, 2020.
5. Must be and remain in compliance with all state and local public health orders and guidelines.
6. Any other applicable funding requirement that may be imposed by a state or federal funding source.

III. ELIGIBLE ACTIVITIES

Activities eligible for funding must be directly connected to supporting public health and response activities associated the COVID-19 pandemic. These activities should be clearly driven by response to COVID-19. **Eligible expenditures would be from March 3, 2021 through sixty (60) days after the date of executed grant agreement.** The following is a partial list of eligible activities for which funds can be used:

1. Innovation to promote outdoor business practices that-protect the health and welfare of employees and the public.
2. Payroll/employee retention, including but not limited to workers comp insurance premium and unemployment insurance premium increases related to COVID-19, and employee paid leave due to COVID-19 illness
3. Purchase of personal protective equipment (PPE) to protect employees and ensure public health through efforts to sanitize the business environment
4. Rent or mortgage payments (excluding property tax payments)
5. Addressing temporary COVID-19 related restrictions on business activity
6. Increasing technology capacity to enable alternative work forms
7. Creating new marketing campaigns or business plans
8. Paying vendor invoices
9. Facility cleaning/restoration
10. Costs associated with additional training or virtual learning to implement COVID-19 safety measures
11. Expenses required to plan for a safe reopening such as expert assessments and/or to conduct research or market surveys

The list below provides a partial list of examples of ineligible activities or costs covered under the County of San Diego’s Small Business Stimulus Grant Funding:

- a) Expenses for the state share of Medicaid
- b) Damages covered by insurance
- c) Reimbursement to donors for donated items or services
- d) Workforce bonuses other than hazard pay or overtime
- e) Severance pay
- f) Legal settlements
- g) Fines related to violations of state and local public health orders and guidelines

IV. APPLICATION PROCESS

The County will make available a centralized, web-based application with instructions on the County’s website. Completed applications will be accepted subject to funding available by each supervisorial district. Applicants will answer the questions below to demonstrate eligibility. Eligible applicants will be allowed to immediately complete the online application. Ineligible organizations will receive an immediate notification of ineligibility.

- a) Are you a private for-profit business or non-profit?
- b) Do you have twenty (20) or fewer full time equivalents (FTEs), including sole proprietorships and independent contractors?
- c) Are you based and operated in San Diego County, providing local goods and services to the community?
- d) Do you have a minimum one-year operating history as of February 14, 2020?
- e) Have you experienced financial hardship as a result of the COVID-19 pandemic? These impacts must be documented, quantifiable, and clearly driven by COVID-19.
- f) Have you complied with all state and local public health guidance?
- g) Are you located in an incorporated city with its own small business stimulus grant program that is actively accepting applications and awarding grant funds?

Eligible applicants will upload a description of the anticipated uses of grant funds to the online application portal.

V. APPLICATION REVIEW AND AWARD PROCESS: ROLES AND RESPONSIBILITIES

- 1. Application Processing
EDGA will provide a weekly summary of applications received to each supervisorial district office.
- 2. Grant Agreement
EDGA will facilitate the execution of a grant agreement between the County of San Diego and the applicant, or Grantee. The County shall require all Grantees to comply with all funding source requirements as well as all state and local public health orders and guidelines.
- 3. Customer Service
EDGA will provide technical assistance and support throughout the application and review process and during the term of the grant agreement.
- 4. Recommendations for Grant Awards

Each Supervisorial District will notify the Chief Administrative Officer of approved grant awards, certifying that the grantees meet the program guidelines. Twenty percent of allocations awards will be made by applying a) Healthy Places Index (HPI) as the equity criteria; b) business sectors most affected by the pandemic as the equity criteria; or c) using (a) HPI and (b) business sectors as the equity criteria. Submissions will be made according to the format determined by the Chief Administrative Officer.

5. Payment Processing

Upon execution of the agreement, EDGA will ensure the Grantee is paid in a timely manner.

6. Compliance with Public Health Orders

Grantee must remain in compliance with any public health orders, as determined by the County. If a grantee is found to be out of compliance at any point, they will have 10 business days from the time of notice by EDGA to go back into compliance to continue to be eligible for the grant.

7. Reporting/Documentation

EDGA will ensure the grantees convey all grant deliverables as noted below in section VI. EDGA will follow up with grantees to ensure program compliance. Organizations that fail to provide satisfactory grant deliverables or that fail to comply with all state and local health orders and guidelines will receive a demand letter requiring return of funds.

Failure to return funds will result in collection action.

8. Audits, Records Retention

EDGA will review for adequacy and maintain all records of the San Diego County Small Business Stimulus Grant Fund.

VI. GRANT DELIVERABLES

Grantee Reporting and Documentation Requirements

At the conclusion of the grant period, Grantee shall deliver to County Office of Economic Development and Government Affairs (EDGA) a program utilization and impact report along with supporting documentation detailing Grantee’s expenditure of funds to date and grantee shall deliver to EDGA all unexpended funds. The grant reports shall include documentation of eligible expenditures incurred between March 1, 2021 and the end of the term of the agreement. Grantees shall maintain best efforts to keep existing staffing hours and compensation levels throughout the grant period. Organizations that fail to provide satisfactory grant deliverables and that fail to comply with all state and local health guidelines and orders will receive a demand letter requiring return of funds. Failure to return funds will result in collection action. The list below catalogues examples of documents that show eligible expenditures:

1. Detailed payroll reports
2. Receipts showing purchase of PPE
3. Rent/mortgage invoice, including copy of cleared check or bank statement showing

- evidence of payment
4. Lease agreement or mortgage contract
 5. Payroll records related to paid leave due to COVID 19 illness (employees names should not be listed since this information may be confidential)
 6. Receipts for purchase of equipment or other expenditures used to improve telework capabilities
 7. Invoice and copy of cleared check, or bank/credit card statement showing evidence of payment for other eligible activities

Guidelines Revised

- July 7, 2020 (12)
- February 9, 2021 (9)
- April 6, 2021 (5)
- REVISION DATE