



READY2OPEN SMALL BUSINESS ASSISTANCE PROGRAM GUIDELINES

BACKGROUND

On March 13, 2020, the County Office of Emergency Services proclaimed a local emergency due to the rising cases of COVID-19 throughout California, which was later ratified by the Board on March 16, 2020. Since that time, the severity of the local emergency has increased daily, with additional reported cases of COVID-19 infections and related deaths in all areas of California, the U.S., and throughout the world. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all California residents to stay at home, except as needed to maintain the continuity of operations in infrastructure sectors critical to protect the health and well-being of all Californians.

With the COVID-19 emergency, many small businesses nationwide are experiencing economic hardship as a direct result of the public health measures taken to minimize the public's exposure to the virus. These measures, some of which are government-mandated, are being implemented nationwide and include the closures of restaurants, bars, gyms, and personal care services such as nail and hair salons. In addition, based on the advice of public health officials, other measures, such as keeping a safe distance from others or even stay-at-home orders, are being implemented, resulting in a dramatic decrease in economic activity as the public avoids commercial centers, retail stores, and other businesses.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. Funding is designated for emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. Merced County is eligible to receive \$28.9 million in CARES Act funding, which will be utilized in accordance with the Board-approved Merced County Funding Plan (Plan). The Plan earmarks \$7.2 million for community support, \$3.1 million of which is earmarked for support to small businesses impacted by the COVID-19 pandemic.

The County will provide this support to small business in the form of grants, up to \$50,000 per small business with twenty five or fewer full time employees, for the reimbursement of eligible COVID-19-related operating expenses and to cover expenses related to implementing COVID-19 health and safety measures within business. Examples of expenses eligible for grant reimbursement or funding include certain payroll costs, rent/lease payments, and inventory or supply costs required to safely reopen the business. The maximum grant award will be calculated based on the business' number of full time employees multiplied by \$2,000.

GRANT PROGRAM GUIDELINES

The following are the Ready2Open Small Business Assistance Program guidelines.

Purpose

The intent of the Ready2Open Small Business Assistance Program is to provide local small businesses that have experienced a loss in revenue due to COVID-19 with financial assistance for the reimbursement of eligible COVID-19-related operating expenses and to cover expenses related to implementing COVID-19 health and safety measures within business.

Eligible Uses

Funding may be used to cover the following eligible business expenses incurred between March 19, 2020 and the date of the application:

- Certain payroll costs: Grant funding may be used to reimburse employers for unemployment insurance costs and increases in workers' compensation costs incurred by the employer due to the COVID-19 public health emergency. Grant funding may also be used to reimburse small businesses for payroll expenses realized as a result of the business closure required by the public health emergency.
- Rent / Lease costs: Unfunded expenditures for rent/lease costs realized during the required closure of a small business are an eligible use of grant funds.
- Inventory or supplies required to safely reopen the business: Personal protective equipment, unfunded expenditures for the costs related to the reconfiguring of workspaces to accommodate social distancing, disinfectants, sanitizers, and expenditures to adapt spaces for outdoor services/dining.

Eligibility Requirements

1. Applicants shall be a:
 - for-profit business physically located, operating, and headquartered in Merced County with a demonstrated economic need and negatively impacted by COVID-19. For-profit applicants must attest to a loss of net revenue as a result of COVID-19 pandemic. Merced County corporate franchisees are eligible to apply; or
 - non-profit business physically located, operating, and headquartered in Merced County with a demonstrated economic need and negatively impacted by COVID-19.
2. Business must have 25 full-time employees or fewer. Self-employed business owners are eligible.
3. Applicants must demonstrate that the business has been operating on or prior March 19, 2020 (business license, utility bill, lease agreement).
4. Applicants must be in good standing with Merced County and the city in which their business is located.
5. Applications for businesses who have not received a SBA Paycheck Protection Program (PPP) Loan, a SBA Economic Injury Disaster Loan (EIDL), or other COVID-19 related grants or loans will be prioritized. *The Reopen Merced County Fund grant provided by Worknet Merced County will not impact the priority of the application.*
6. Selected businesses will be required to sign a contract to be carried out throughout the term of the grant.
7. Applicants must submit a current W-9 form.

Grant Award and Administration

1. The Ready2Open Small Business Assistance Program will be administered by the Merced County Workforce Development Board.
2. Grants will be allocated in amounts up to \$50,000 per small business as defined.
3. Grants will be limited to one (1) per small business as defined.
4. Grants will be accepted beginning August 17, 2020 through September 20, 2020.
5. The \$3 million will be distributed evenly between County Supervisorial Districts at \$600,000 per district. In the event that there are not a sufficient number of eligible recipients in a given district received by September 20, 2020, the balance of that district's allocation will be redistributed evenly between those districts that have a surplus of applicants.
6. Eligible grant recipients will be awarded on a first come, first served basis. Submission of an incomplete or inaccurate application may result in ineligibility for program funding.