RESOLUTION NO. 2020-159

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUGMENTING FUNDING APPROPRIATED FOR THE STABILIZING LOAN PROGRAM FOR BUSINESSES OF MARINA IN RESPONSE TO THE CONTINUING EFFECTS OF THE COVID-19 PANDEMIC; VESTING DISCRETION IN THE CITY MANAGER, ACCOUNTING SERVICES MANAGER, AND CITY ATTORNEY TO MAKE REQUIRED CHANGES TO THE PROGRAM GUIDELINES NECESSARY TO IMPLEMENT AND ADMINISTER THE PROGRAM; CONTINUING THE AUTHORITY OF THE CITY MANAGER TO EXECUTE ANY AGREEMENTS AND PROMISSORY NOTES NECESSARY TO IMPLEMENT THE PROGRAM; AND AUTHORIZING THE ACCOUNTING SERVICES MANAGER TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES.

WHEREAS, on March 13, 2020, the City Manager in his role as the Director of Emergency Services, issued a “Proclamation of a Local Emergency by City of Marina City Manager Related to the COVID-19 (Coronavirus);” and

WHEREAS, COVID-19 is primarily transmitted through interpersonal contact in confined spaces and in-person operation of businesses creates a significant risk of transmitting the COVID-19 virus; and

WHEREAS, small businesses are in need of assistance as a result of layoffs, temporary business closures, curtailment of operations, and economic disruption during this emergency; and

WHEREAS, on March 17, 2020, the Health Officer of the County of Monterey issued an Order directing all businesses to cease non-essential operations at physical locations in the County; and

WHEREAS, on April 3, 2020, the Health Officer of the County of Monterey issued a second Order clarifying and further limiting business activities, including construction, and again directing all businesses to further cease non-essential operations; and

WHEREAS, on April 21, 2020, the City Council adopted Resolution 2020-41 establishing the Stabilizing Loan Program for Businesses of Marina, vested discretion in the City Manager, Finance Director and City Attorney to make required changes to program guidelines necessary to implement and administer the program, authorized the City Manager to execute any agreements or promissory notes necessary to implement the program, and authorized the Finance Director to make the necessary budgetary entries to fund the program with $100,000 from the Emergency Fund.

WHEREAS, ON May 26, 2020 the Health Officer of the County of Monterey issued an Order moving the County into Stage 2 of the COVID-19 recovery process which authorized certain businesses to reopen and on June 11, 2020, the County Health Officer issued a Supplement Order authorizing certain other businesses to operate in Monterey County in accordance with State Guidelines; and

WHEREAS, on December 3 and December 6 , 2020, respectively, the State of California implemented Regional Stay At Home Orders (referred to herein jointly as the "Regional Stay At Home Orders") which impose new restrictions on gatherings, travel and business activities when available intensive care unit ("ICU") capacity in any one of five designated regions drops below 15%;

WHEREAS, Monterey County is in the Bay Area Region relative to the Regional Stay At Home Orders: and

WHEREAS, the Reginal Stay At Home Orders require that counties or regions with an ICU capacity of less than 15% close all nonessential businesses for in-person operation; and

WHEREAS, on December 9, 2020, the Health Officer of the County of Monterey issued an Order, in addition to the other restrictions set forth by the State, that the Regional Stay At Home Orders were to go into effect on December 13, 2020, at 10 p.m. and to continue in effect until January 11, 2021, at 6:00 a.m.; and

WHEREAS, as of December 16, 2020, there have been 18,507 confirmed cases of COVID-19 in Monterey County and 148 persons are currently hospitalized due to COVID-19 in Monterey County and 167 persons have died; and

WHEREAS, ON December 16, 2020, the ICU capacity in the Bay Area Region fell below 15% to an ICU capacity of 12.9%; and

WHEREAS, the impacts from the COVID-19 virus, the associated measures to protect public health, and Reginal Stay at Home Orders and other regional orders for non-essential businesses to cease operations and the resulting lay-off of employees at these businesses' physical locations has had and continues to have a dramatic negative effect on many non-essential small businesses' financial resources with many such businesses experiencing, or expecting to experience soon, a sudden, unexpected and continuing loss of revenue; and

WHEREAS, as of the date of this Resolution the U.S. Congress has not reached agreement on a COVID-19 relief bill to provide for issuance of new loan approvals and certain programs continue to experience a lapse in funding appropriations; and

WHEREAS, a small business, that is, a business physically located in the City of Marina since January 1, 2019 with ten or fewer full or part time employees for a business other than a restaurant, or 20 or fewer employees for a restaurant business, as of March 1, 2020, may need a very rapid interim response from local agencies, lenders, and support providers to survive the above-described impacts; and

WHEREAS, additional economic impacts are anticipated which may further inhibit small businesses which have not been required to close as a result of the County Health Officer or the State of California's orders due to the coronavirus pandemic from temporarily fulfilling their financial obligations for outstanding indebtedness such as paying rent or a mortgage for business premises, paying utility charges for business operations, paying employee wages, and/or paying health benefits for employee(er); and

WHEREAS, the City has experienced a loss of sales tax revenue during 2020 and the City Council anticipates a continuing loss in sales tax revenue as a result of the COVID-19 outbreak due to the temporary or permanent closure and the curtailment of operations of many small businesses; and

WHEREAS, it is in the community's interest to support small businesses which have chosen to locate and operate within the City of Marina by providing access to capital while other sources of state and federal funding are pending; and

WHEREAS, the City has Four Hundred Thousand Dollars ($400,000.00) dollars available in its General Fund – Unallocated Reserve account which could be budgeted to augment the Stabilizing Loan Program for Small Business; and

WHEREAS, the Stabilizing Loan Program for Small Business is necessary to preserve the welfare of citizens of Marina; and

WHEREAS, COVID-19 has and will continue to cause conditions of peril to the health, safety, and welfare of the City of Marina.

NOW, THEREFORE, be it resolved by the City Council of the City of Marina that:

A. The City Council hereby finds and determines that the above-described conditions and the conditions described in the Proclamation of Local Emergency related to the COVID-19 outbreak warrant and necessitate the continuance of the Stabilizing Loan Program for Small Business and the establishment and continuance of this Program is in furtherance of a public purpose and in the best interest of the public.

B. The City Council hereby finds and determines that the commitment of funds to the Stabilizing Loan Program for Small Business will not affect or detrimentally impact maintaining a revenue structure adequate to meet the City's financial requirements for the execution of balanced programs and the basic level of City services necessary to carry out the duties, obligations and mandates required by the Home Rule City Charter of the City of Marina.

C. The City Council hereby finds and determines that continuing to provide assistance to small businesses to help them remain viable is in furtherance of securing the City's tax base.

D. The City Council hereby finds and determines that small business' preparations for, response to, mitigation of and recovery from the spread and impact of COVID-19 and the responses thereto continues to require the City to divert resources from normal-day-to-day operation.

E. The funding for the Stabilizing Loan Program for Small Business established by Resolution 2020-41-and initially funded with One Hundred Thousand Dollars ($100,000.00) from the Emergency Fund is hereby augmented by the amount of Four Hundred Thousand Dollars ($400,000.00) from the General Fund – Unallocated Revenues account in accordance with the program guidelines set forth in the COVID-19 Marina Small Business Loan Requirements Round #3 and the City of Marina, Business Loan Program Summary, Round #4 attached as **Exhibit A** to this Resolution and by this reference made a part hereof. .

F. The City Council hereby vests discretion in the City Manager, Accounting Services Manager, and City Attorney to make required changes to the program guidelines necessary to effectively implement and administer the program.

G. The City Manager continues to be authorized to execute any agreements necessary to implement the Stabilizing Loan Program for Small Business with all necessary expedience commensurate with the urgency of the COVID-19 impact on the local economy including, but not limited to, loan agreements and promissory notes.

H. The Accounting Services Manager is authorized to make necessary accounting and budgetary entries.

PASSED AND ADOPTED, at a special meeting of the City Council of the City of Marina, duly held on the 17th day of December 2020, by the following vote:

AYES: COUNCIL MEMBERS: Medina Dirksen, Burnett, Berkley, Biala Delgado
NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None

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Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUGMENTING FUNDING APPROPRIATED FOR THE STABILIZING LOAN PROGRAM FOR RESIDENTS OF THE CITY IN RESPONSE TO THE CONTINUING EFFECTS OF THE COVID-19 PANDEMIC; VESTING DISCRETION IN THE CITY MANAGER, CITY ACCOUNTING SERVICES MANAGER AND CITY ATTORNEY TO MAKE REQUIRED CHANGES TO THE PROGRAM GUIDELINES NECESSARY TO IMPLEMENT AND ADMINISTER THE PROGRAM; CONTINUING THE AUTHORITY OF THE CITY MANAGER TO EXECUTE ANY AGREEMENTS AND PROMISSORY NOTES NECESSARY TO IMPLEMENT THE PROGRAM; AND AUTHORIZING THE ACCOUNTING SERVICES MANAGER TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES.

WHEREAS, on March 13, 2020, the City Manager in his role as the Director of Emergency Services, issued a “Proclamation of a Local Emergency Related to the COVID-19 (Coronavirus) pandemic; and

WHEREAS, the impacts from the COVID-19 virus; the associated measures to protect public health; and local, regional, and national orders for residents to shelter in their places of residence has had, and continues to have, a dramatic negative effect on many resident’s financial resources with many residents experiencing, or expecting to experience soon, sudden and unexpected loss of income; and

WHEREAS, many residents face destabilized housing situations due to the impacts of the COVID-19 pandemic which has created undue hardship for residents due to a lack of alternative housing; and

WHEREAS, individuals most impacted may need a very rapid response from local agencies, lenders, and support providers to survive these impacts; and

WHEREAS, continued economic impacts are anticipated which may further inhibit City residents from fulfilling their financial obligations such as paying rent or a mortgage, utility charges and other non-discretionary financial commitments; and

WHEREAS, it is in the community’s interest to support residents of the City of Marina by ensuring adequate access to housing and capital while other sources of state and federal funding are pending; and

WHEREAS, on April 21, 2020, by its adoption of Resolution 2020-40 the City Council established the Stabilizing Loan Program for Residents of the City, vested discretion in the City Manager, Finance Director and City Attorney to make required changes to program guidelines necessary to implement and administer the program, authorized the City Manager to execute any agreements or promissory notes necessary to implement the program, and authorized the Finance Director to make the necessary budgetary entries to fund the program with $100,000 from the Emergency Fund.

WHEREAS, the City has __________________ dollars available in its ____________ Fund which could be budgeted to augment the fund the Stabilizing Loan Program for Residents; and

WHEREAS, the Stabilizing Loan Program for Residents is necessary to protect the health, safety, and welfare of the citizens of Marina; and

WHEREAS, the Stabilizing Loan Program for Residents was effective as of April 21, 2020; and

WHEREAS, COVID-19 has and will continue to cause conditions of peril to the health, safety, and welfare of City of Marina residents.

NOW, THEREFORE, be it resolved by the City Council of the City of Marina that:

A. The City Council hereby finds and determines that the above-described conditions and the conditions described in the Proclamation of Local Emergency related to the COVID-19 outbreak continue to warrant and necessitate the creation and continuance of the Stabilizing Loan Program for Residents and the establishment and continuance of this Program is in furtherance of a public purpose and in the best interest of the public.

B. The City Council hereby finds and determines that the continued commitment of funds to the Stabilizing Loan Program for Residents will not affect or detrimentally impact maintaining a revenue structure adequate to meet the City's financial requirements for the execution of balanced programs and the basic level of City services necessary to carry out the duties, obligations and mandates required by the Home Rule City Charter of the City of Marina.

C The City Council hereby finds and determines that residents' preparations for, response to, mitigation of, and recovery from the spread and impact of COVID-19 and the responses thereto require the City to continue to divert resources from normal-day-to-day operation.

D. The funding for the Stabilizing Loan Program for Residents established by Resolution 2020-40-and initially funded with $100,000 from the Emergency Fund is hereby augmented by the amount of $________________from the _____________ Fund in accordance with the revised program guidelines set forth in the COVID-19 Marina Revised Resident Loan Requirements attached as **Exhibit A** to this Resolution and incorporated herein.

E The City Council vests discretion in the City Manager, City Accounting Services Manager and City Attorney to make required changes to the program guidelines necessary to effectively implement and administer the program.

F. The City Manager continues to be authorized to execute any agreements necessary to implement the Stabilizing Loan Program for Residents with all necessary expedience commensurate with the urgency of the COVID-19 impact on the local economy including, but not limited to, loan agreements and promissory notes.

G. The Accounting Services Manager is authorized to make necessary accounting and budgetary entries.

PASSED AND ADOPTED, at a special meeting of the City Council of the City of Marina, duly held on the 17th day of December 2020, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

December 17, 2020 Item No: **3a**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of December 17, 2020

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020- AUGMENTING FUNDING APPROPRIATED FOR THE STABILIZING LOAN PROGRAM FOR BUSINESSES OF MARINA IN RESPONSE TO THE CONTINUING EFFECTS OF THE COVID-19 PANDEMIC, AND ADOPTING RESOLUTION NO. 2020- AUGMENTING FUNDING APPROPRIATED FOR THE STABILIZING LOAN PROGRAM FOR RESIDENTS OF THE CITY IN RESPONSE TO THE CONTINUING EFFECTS OF THE COVID-19 PANDEMIC, BOTH VESTING DISCRETION IN THE CITY MANAGER, CITY ACCOUNTING SERVICES MANAGER AND CITY ATTORNEY TO MAKE REQUIRED CHANGES TO THE PROGRAM GUIDELINES NECESSARY TO IMPLEMENT AND ADMINISTER THE PROGRAM; CONTINUING THE AUTHORITY OF THE CITY MANAGER TO EXECUTE ANY AGREEMENTS AND PROMISSORY NOTES NECESSARY TO IMPLEMENT THE PROGRAM; AND AUTHORIZING THE ACCOUNTING SERVICES MANAGER TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020- Resolution of the City Council of the City of Marina augmenting funding appropriated for the stabilizing loan program for businesses of marina in response to the continuing effects of the covid-19 pandemic; vesting discretion in the city manager, accounting services manager, and city attorney to make required changes to the program guidelines necessary to implement and administer the program; continuing the authority of the city manager to execute any agreements and promissory notes necessary to implement the program; and authorizing the accounting services manager to make necessary accounting and budgetary entries.

2. Adopting Resolution No. 2020- A Resolution of the City Council of the City of Marina augmenting funding appropriated for the stabilizing loan program for residents of the city in response to the continuing effects of the COVID-19 pandemic; vesting discretion in the city manager, city accounting services manager and city attorney to make required changes to the program guidelines necessary to implement and administer the program; continuing the authority of the city manager to execute any agreements and promissory notes necessary to implement the program; and authorizing the accounting services manager to make necessary accounting and budgetary entries

BACKGROUND:

At the December 16, 2020 City Council meeting, the City Council discussed the status of the current COVID Relief Business and Residential Loan programs. During the discussion, the City Council provided guidance and direction to staff on the current favorable and unfavorable requirements of the programs. Staff has considered the guidance provided and prepared updated drafts to the loan programs.

In addition to the requirements for qualification to the COVID Relieve Business and Residential Loan programs, staff also made the City Council aware that should the loan programs continue, additional budgetary allocations would be necessary.

ANALYSIS:

Staff, the City Attorney's Office and special outside Counsel have reviewed the current programs, discussed modifications as advised by the City Council and prepared the attached draft COVID Relieve Business and Residential Loan programs.

The City of Marina draft Business Loan Program Round #4 is included in **"EXHIBIT A"** to this staff report. The documents included are a clean copy of the draft program and a marked-up copy to assist the City Council with identifying the changes. Also, to assist the Council in reviewing the draft changes is a category breakdown of the businesses registered in the City's Business License database. Staff will explain how this list was utilized in developing the draft loan program changes in the staff presentation portion of the discussion.

The City of Marina draft Residential Loan Program Round #4 is included in **"EXHIBIT B"** to this staff report. The documents included are a clean copy of the draft program and a marked-up copy to assist the City Council with identifying the changes.

FISCAL IMPACT:

The current loan programs were allocated a total of $200,000. Currently, there is approximately $30,000 remaining in these funds. Should the City Council wish to continue these programs additional funding would be necessary.

CONCLUSION:

This request is submitted for the City Council consideration and approval

Respectfully submitted,

____

Matt Mogensen
Assistant City Manager
City of Marina

REVIEWED/CONCUR:

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Layne Long
City Manager
City of Marina