



EMERGENCY MEETING OF THE LA QUINTA CITY COUNCIL

TO THE MEMBERS OF THE LA QUINTA CITY COUNCIL AND TO THE CITY CLERK:

NOTICE IS HEREBY GIVEN that an **Emergency Meeting** of the La Quinta City Council is hereby called to be held on **Thursday, April 16, 2020; Closed Session starts at 6:00 p.m.; Open Session starts at 6:30 p.m.;** at La Quinta City Hall located at 78495 Calle Tampico, La Quinta, CA 92253. Pursuant to Executive Orders N-25-20, N-29-20, N-33-20, and N-35-20, executed by the Governor of California in response to the state of emergency relating to novel coronavirus disease 2019 (COVID-19) and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 *et seq.*), members of the City Council, the City Manager, City Attorney, City Staff, and City Consultants may participate in this emergency meeting by teleconference. The emergency meeting is called for the following purpose:

CLOSED SESSION

- 1. THREAT TO PUBLIC SERVICES OR FACILITIES, PURSUANT TO SUBDIVISION (a) OF GOVERNMENT CODE SECTION 54957. CONSULTATION WITH: ALEXANDER JOHNSTON, SENIOR EMERGENCY MANAGEMENT COORDINATOR; WILLIAM H. IHRKE, CITY ATTORNEY**

BUSINESS SESSION

- 1. ADOPT EMERGENCY RESOLUTION TO APPROVE COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM FOR LA QUINTA BUSINESSES IMPACTED BY NOVEL CORONAVIRUS DISEASE (COVID-19); AND APPROVE ASSOCIATED BUDGET ADJUSTMENTS [EMERGENCY RESOLUTION NO. EM 2020-005]**

Dated: April 16, 2020

/s/ Linda Evans
LINDA EVANS, Mayor

Attest:

MONIKA RADEVA, City Clerk

DECLARATION OF POSTING

I, Monika Radeva, City Clerk, do hereby declare that the foregoing notice for the La Quinta City Council **Emergency Meeting** of April 16, 2020 was posted on the outside entry to the Council Chamber at 78495 Calle Tampico and on the bulletin boards at 51321 Avenida Bermudas and 78630 Highway 111 on April 16, 2020.



MONIKA RADEVA, City Clerk



City Council agendas and staff reports are available on the City's web page: www.LaQuintaCA.gov

**EMERGENCY MEETING
APRIL 16, 2020
6:00 P.M. CLOSED SESSION | 6:30 P.M. OPEN SESSION**

CITY COUNCIL AGENDA

CITY HALL COUNCIL CHAMBER
78495 Calle Tampico, La Quinta

SPECIAL NOTICE

Teleconferencing and Telephonic Accessibility In Effect

Pursuant to Executive Orders N-25-20, N-29-20, N-33-20, and N-35-20, executed by the Governor of California in response to the state of emergency relating to novel coronavirus disease 2019 (COVID-19) and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 *et seq.*), members of the City Council, the City Manager, City Attorney, City Staff, and City Consultants may participate in this emergency meeting by teleconference. Additionally, pursuant to the above-referenced executive orders, the public is not permitted to physically attend at City Hall the meeting to which this agenda applies, but any member of the public may listen or participate in the open session of this meeting as specified below.

Members of the public wanting **to listen to the open session** of this emergency meeting may do so by tuning-in live via <http://laquinta.12milesout.com/video/live>.

Members of the public wanting **to address the City Council during the open session**, either for public comment or for a specific agenda item, or both, are requested to send an email notification to the La Quinta City Clerk's Office at CityClerkMail@LaQuintaCA.gov, and specify the following information:

- 1) Full Name
- 2) City of Residence
- 3) Phone Number

- 4) Public Comment or Agenda Item Number
- 5) Subject
- 6) Written Comments

Written public comments, received prior to the adjournment of the emergency meeting, will be distributed to the City Council, incorporated into the agenda packet and public record of the meeting, and will not be read during the meeting unless, upon the request of the Mayor, a brief summary of any public comment is asked to be read, to the extent the City Clerk’s Office can accommodate such request.

It would be appreciated that any email communications for public comments related to the items on the agenda, or for general public comment, are provided to the City Clerk’s Office at the email address listed above prior to the commencement of the meeting. If that is not possible, and to accommodate public comments on items that may be added to the agenda after its initial posting or items that are on the agenda, every effort will be made to attempt to review emails received by the City Clerk’s Office during the course of the meeting. The Mayor will endeavor to take a brief pause before action is taken on any agenda item to allow the City Clerk to review emails and share any public comments received during the meeting. All emails received by the City Clerk, at the email address above, until the adjournment of the meeting, will be included within the public record relating to the meeting.

CALL TO ORDER

ROLL CALL: Councilmembers: Fitzpatrick, Peña, Radi, Sanchez, Mayor Evans

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the City Council on any matter not listed on the agenda. *Please email "Written Public Comments" to CityClerkMail@LaQuintaCA.gov and limit your comments to three minutes (approximately 350 words).* The City Council values your comments; however, in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by GC 54954.2(b).

CONFIRMATION OF AGENDA

CLOSED SESSION

1. THREAT TO PUBLIC SERVICES OR FACILITIES, PURSUANT TO SUBDIVISION (a) OF GOVERNMENT CODE SECTION 54957. CONSULTATION WITH: ALEXANDER JOHNSTON, SENIOR EMERGENCY MANAGEMENT COORDINATOR; WILLIAM H. IHRKE, CITY ATTORNEY

RECESS TO CLOSED SESSION

RECONVENE

REPORT ON ACTIONS(S) TAKEN IN CLOSED SESSION

BUSINESS SESSION

PAGE

1. ADOPT EMERGENCY RESOLUTION TO APPROVE COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM FOR LA QUINTA BUSINESSES IMPACTED BY NOVEL CORONAVIRUS DISEASE (COVID-19); AND APPROVE ASSOCIATED BUDGET ADJUSTMENTS [EMERGENCY RESOLUTION NO. EM 2020-005]

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ADJOURNMENT

The next regular meeting of the City Council will be held on April 21, 2020 at 4:00 p.m. at the City Hall Council Chambers, 78495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Monika Radeva, City Clerk, of the City of La Quinta, do hereby declare that the foregoing Agenda for the La Quinta City Council **Emergency Meeting** was posted on the City’s website, near the entrance to the Council Chambers at 78495 Calle Tampico, and the bulletin boards at the Stater Brothers Supermarket at 78630 Highway 111, and the La Quinta Cove Post Office at 51321 Avenida Bermudas, on April 16, 2020.

DATED: April 16, 2020

MONIKA RADEVA, City Clerk
City of La Quinta, California

Public Notices

- The La Quinta City Council Chamber is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at (760) 777-7092, twenty-four (24) hours in advance of the meeting and accommodations will be made.
- If special electronic equipment is needed to make presentations to the City Council, arrangements should be made in advance by contacting the City Clerk's office at (760) 777-7092. A one (1) week notice is required.
- If background material is to be presented to the Councilmembers during a City Council meeting, please be advised that eight (8) copies of all documents, exhibits, etc., must be supplied to the City Clerk for distribution. It is requested that this take place prior to the beginning of the meeting.
- Any writings or documents provided to a majority of the City Council regarding any item(s) on this agenda will be made available for public inspection at the Community Development counter at City Hall located at 78495 Calle Tampico, La Quinta, California, 92253, during normal business hours.

City of La Quinta

CITY COUNCIL EMERGENCY MEETING: April 16, 2020

STAFF REPORT

AGENDA TITLE: ADOPT EMERGENCY RESOLUTION TO APPROVE COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM FOR LA QUINTA BUSINESSES IMPACTED BY NOVEL CORONAVIRUS DISEASE (COVID-19); AND APPROVE ASSOCIATED BUDGET ADJUSTMENTS

RECOMMENDATION

Adopt an Emergency Resolution to approve COVID-19 Small Business Emergency Economic Relief Program for La Quinta businesses impacted by COVID-19; and approve the associated budget adjustments.

EXECUTIVE SUMMARY

- On March 16, Riverside County Public Health Officer, Dr. Cameron Kaiser, ordered all County Residents to stay at home to help prevent the spread of COVID-19. In addition, all non-essential businesses were directed to closed.
- This order has had a significant impact on local businesses. Many retailers and restaurants have been forced to drastically reduce service hours or suspend operations entirely.
- Economic vitality is important to the City of La Quinta (City), with Highway 111 being a primary commercial corridor and the Village being made up of small businesses.
- As a response to this unprecedented challenge, the City is establishing a \$1.5 million COVID-19 Small Business Emergency Economic Relief Program (Program).

FISCAL IMPACT

This Program would utilize funds from the Economic Disaster Emergency Reserve; if all \$1.5 million is allocated, it would reduce the reserve balance from \$11 million to \$9.5 million. Money would be transferred from General Fund Reserves to the Economic Development Fund, and associated expenditures would be charged to account 247-0000-60510.

BACKGROUND/ANALYSIS

The City recognizes that coronavirus disease (COVID-19) has put a difficult burden on our small business community. As a response to this unprecedented challenge, on March 25, 2020, the City Council authorized the appropriation of up to \$1.5 million from the City's Economic Disaster Reserves, and directed Staff to bring back to the Council for consideration a program offering micro-loans or similar relief to assist local businesses affected by the COVID-19 local emergency.

The City is establishing a \$1.5 million Program which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided on a first-come, first-served basis to eligible businesses of 25 or fewer full-time equivalent employees in the form of zero percent interest loans beginning at \$5,000 up to \$20,000. A total of \$500,000 will be made available exclusively to restaurants in the City who are still open for business offering carryout or pickup.

The applications will be reviewed and approved by an Ad Hoc committee of two councilmembers, two Finance Advisory Commissioners and two city staff members (Financial Services Analyst and Assistant to City Manager). The City will begin accepting applications on Tuesday, April 21, 2020 at a.m. The application period will close on April 30, 2020 at 5 p.m.

Loan Terms

- 1) Repayment Term: 0% interest. Initial loan payment will begin after April 1, 2021 and be equally billed on a monthly basis in accordance to a loan repayment schedule, not to exceed two years. Early repayments will be accepted.
- 2) Loan Amount: Up to \$20,000 per business.
- 3) Loan Proceeds: Funds shall be used for operational needs such as lease/mortgage payments, payroll, supplies, and services.

Eligibility and Program Guidelines are described in the attached application.

ALTERNATIVES

Council may elect not to approve the program.

Prepared by: Gil Villalpando, Assistant to City Manager
Approved by: Jon McMillen, City Manager

Attachment: 1. COVID-19 Small Business Emergency Relief Program Application

EMERGENCY RESOLUTION NO. EM 2020 – XXX

AN EMERGENCY RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA QUINTA, CALIFORNIA, ADOPTING THE COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM

WHEREAS, on March 17, 2020, at its regular meeting, the City Council adopted Emergency Resolution No. EM 2020-001, proclaiming a local emergency as defined in La Quinta Municipal Code Section 2.20.020, due to the threat of the existence and spread of novel coronavirus disease 2019 (COVID-19); and

WHEREAS, the Recitals in Emergency Resolution No. EM 2020-001 set forth facts and responses, guidelines, and orders of federal, state, and regional public health officials relating to limiting the spread of COVID-19, all of which Recitals are hereby incorporated by reference into this Resolution; and

WHEREAS, pursuant to La Quinta Municipal Code Section 2.20.110, Subsection (B), during a proclaimed local emergency, the City Council may promulgate orders and regulations necessary to provide for the protection of life and property; and

WHEREAS, on March 20, 2020, at an emergency meeting, the City Council adopted Emergency Resolution No. EM 2020-002, directing the City Manager in his capacity as the Emergency Corps Commander to oversee the implementation of California Governor Executive Order N-33-20 issued on March 19, 2020, ordering all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors and essential services, as identified therein; and

WHEREAS, the City recognizes that the City's small businesses community has been significantly affected by the "stay at home" executive order issued by the Governor and recognizes that this community is otherwise facing difficult economic burdens due to the COVID-19 pandemic; and

WHEREAS, at its Emergency Meeting on March 25, 2020, the City Council authorized the appropriation of up to \$1,500,000 from the City's emergency disaster reserves and directed Staff to bring back to the Council

for consideration a program offering micro-loans or similar relief to assist local businesses affected by the COVID-19 local emergency; and

WHEREAS, the City would like to respond to the needs of the small business community by establishing a Small Business Emergency Economic Relief Program as provided by this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Quinta, California, as follows:

SECTION 1. Emergency Resolution Nos. EM 2020-001, EM 2020-002, and all other emergency resolutions adopted by the City Council remain in full force and effect pursuant to their respective provisions.

SECTION 2. The Small Business Emergency Economic Relief Program is hereby established and adopted pursuant to Exhibit A, incorporated by reference into this Resolution and effective immediately. The City Manager and Staff as designated by the City Manager shall administer program consistent with the provisions in Exhibit A and this Resolution.

SECTION 3. This Resolution, and the powers, duties, response efforts, and immunities available by its adoption, shall remain in place for as long as the local emergency exists and until determined to be terminated by the City Council, unless otherwise this Resolution is terminated by operation of state law that is no longer waived or suspended by the Governor of California.

SECTION 4. This Resolution is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the City of La Quinta, or any of its boards, commissions, committees, departments, officers, officials, employees or any other person.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have adopted this Resolution and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared unconstitutional.

SECTION 6. This Resolution shall go into effect immediately upon its adoption, and the City Clerk shall certify to its adoption.

Emergency Resolution No. EM 2020 – XXX
COVID-19 Small Business Emergency Economic Relief Fund and Program
Adopted: April 16, 2020
Page 3 of 3

PASSED, APPROVED, and ADOPTED at an emergency meeting of the La Quinta City Council held on this 16th day of April, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

LINDA EVANS, Mayor
City of La Quinta, California

ATTEST:

MONIKA RADEVA, City Clerk
City of La Quinta, California

(CITY SEAL)

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

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COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM

For City of La Quinta Businesses Impacted by COVID-19

The City of La Quinta (City) recognizes that coronavirus disease (COVID-19) has put a difficult burden on our small business community. As a response to this unprecedented challenge, the City is establishing a \$1.5 million COVID-19 Small Business Emergency Economic Relief Program (Program), which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided on a first-come, first-served basis to eligible businesses of 25 or fewer full-time equivalent employees in the form of zero percent interest loans of \$5,000; \$10,000; \$15,000; or \$20,000. Up to \$500,000 will be made available exclusively to restaurants in the City that are currently open for pickup and delivery orders.

Loan applications are administered through our City’s Finance Department. The City will open the Program on Tuesday, **April 21, 2020 and the deadline to submit applications is April 30, 2020 at 5pm.** The application period will close once all funds have been allocated. Eligibility and Program Guidelines are described in the following pages.

LOAN TERMS

- 1) Repayment Term: 0% interest. Initial loan payment will begin after April 1, 2021 and will be equally billed on a monthly basis in accordance to a loan repayment schedule of two years. Early repayments will be accepted.
- 2) Loan Amount: Up to \$20,000 per business.
- 3) Loan Proceeds: Funds shall be used for operational needs such as lease/mortgage payments, payroll, supplies, and services.

ELIGIBILITY

- One-time loan per business (applications may not include a business that has previously applied for a zero-interest loan under this program;
- Successful applicants are required to execute a promissory note in order to receive funding;
- Be a for-profit, independently owned local business. NOTE: Short Term Vacation Rentals (governed by Chapters 3.24 & 3.25 of the La Quinta Municipal Code) do not qualify to receive a loan under this program;

City of La Quinta

COVID-19 Small Business Emergency Economic Relief Program

ELIGIBILITY (CONTINUED)

- Employ up to 25 full-time equivalent (FTE) employees;
- Be a restaurant, retail, service, or entertainment business with a storefront physically established within the City of La Quinta;
- Have a current City of La Quinta Business License and have been in operation as of March 1, 2020;
- Provide a written statement demonstrating a hardship due to COVID-19, such as a loss in revenue;
- Have written sick leave policies to assist workers impacted by the COVID-19 pandemic;
- Comply with the State of California non-discrimination employment policies;
- Be in good standing with the City of La Quinta as of March 1, 2020 (e.g., no liens, judgments, or code enforcement cases, etc.); and
- Application is deemed complete by City Staff.

ALLOCATION OF FUNDS

In order to assist as many businesses as possible, upon approval, funding will be allocated in the previously noted increments as follows:

- Businesses employing 0-5 Full-Time Equivalent (FTE) employees would be eligible for \$5,000
- Businesses employing 6-10 FTE employees would be eligible for up to \$10,000
- Businesses employing 11-15 FTE employees would be eligible for up to \$15,000
- Businesses employing 16-25 FTE employees would be eligible for up to \$20,000

Meaning of FTE and Full-time Employee

The abbreviation FTE is short for "full-time equivalent." The City of La Quinta determines the total number of employees of a business on a FTE basis. A full-time employee is one who works 40 hours per week. For example, one employee who works 40 hours per week equals one FTE. To determine the FTE number for part-time employees, add the total number of hours worked in a week by all part-time employee, and then divide that number by 40. For example, if a business has four part-time employees who work a total of 10 hours each per week, those employees equal one FTE.

Example of Weekly FTE Calculation:

If you have 5 part-time employees working a combined total of 120 hours per a week, this equals 3 FTE (120 hours ÷ 40 hours = 3).

If hours vary per week, apply the calculation to each week and provide the largest FTE count. Payroll records provided should support FTE calculation.

APPLICATION QUESTIONS

Disclosure of Information

The City of La Quinta understands and supports the public's right to access public records. Information submitted through this application is a public record and may be subject to disclosure under the California Public Records Act (PRA). In addition, the City of La Quinta may be required to disclose information submitted through the application by some other legal process, for example, a subpoena. Please note, that all identifiable personal information will be redacted from any such response.

I agree that the City of La Quinta may determine in its sole discretion whether information submitted through this application is subject to disclosure under the California Public Records Act or through another legal process.

PRINTED NAME: _____

SIGNATURE: _____

Please submit the following required documentation along with your application. The loan applicant may be required to provide additional documentation.

- 1. Current City of La Quinta Business License**
- 2. W-9 Form (can be found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)**
- 3. 2020 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March**
- 4. 2019 Balance Sheets and Profit-and-Loss Statements January, February and March to show hardship.**
- 5. Payroll records for the months of January and February 2020 (Confidential information such as social security numbers or employee birth dates should be excluded).**
- 6. Tax returns for 2018 and 2019.**
- 7. Current FICO score of principal officer/majority owner.**

*** If March 2020 financial statements are not yet prepared, banking records for March 2019 and 2020 demonstrating business losses may be accepted. Please redact account numbers before submitting.**

CONTACT INFORMATION

Applicant Name: _____

Applicant Email: _____

Applicant Phone Number: _____

BUSINESS INFORMATION

Business Name (dba): _____

Business Address: _____

Primary Business Owner Name: _____

Primary Business Owner Home Address: _____

Do you own or lease your establishment at this location? _____

How long have you been in business? _____

Type of Business Entity – Please provide Articles of Incorporation or bylaws for type of entity

- Corporation (C-corp, S-corp)
- Limited Liability Company (LLC)
- Partnership (LLP, joint venture)
- Individual/Sole Proprietorship
- Franchise
- Other

Primary Business Activity

- Retail
- Restaurant
- Other: _____

Please describe your business: (Include what the business produces and how it generates revenue.)

City of La Quinta

COVID-19 Small Business Emergency Economic Relief Program

Normal Business Hours (Pre-COVID-19):

Normal Day(s) of the Week (Pre-COVID-19): _____

Current Business Hours:

Current Day(s) of the Week: _____

How many years has this establishment been in business? _____

IMPACT OF COVID-19

Describe the business hardship that has resulted from COVID-19. Describe impacts on revenues, number of employees, modified business hours, etc. (verification may be required)

If funded; how would you utilize these resources:

When did the hardship begin?

What do you envision the impacts might be over the course of the next 90 days?

Are there other services you may need, such as Marketing or Remote Work Assistance?

FINANCIAL INFORMATION

The City of La Quinta reserves the right to request supporting documentation for all requested information. Please be prepared to provide tax information, payroll documentation, and other items as necessary.

Federal Tax ID (EIN): _____

City of La Quinta Business License #: _____

Amount of Monthly Rent or Mortgage (*please provide copy of mortgage statement or current lease*): \$_____

Does the business or owner(s) have any outstanding liens or judgements?

Yes

No

If Yes, please explain: _____

Is the business or business owner(s) currently the subject of any litigation?

Yes

No

If Yes, please explain: _____

CERTIFICATIONS

- I understand that I am applying for a loan that must be repaid.
- I hereby certify that my business follows all applicable laws, including providing paid sick leave and following anti-discrimination laws.
- I hereby certify that I will use the funds allotted as described in this application.
- I hereby certify that all of the information submitted in this application is true and correct and agree to audits by the City of La Quinta.
- I hereby certify that all required eligibility documents in Exhibit A have been submitted with this application. Missing documents will extend the loan review process, which may result in non-funding due to priority funding of fully executed applications.
- Person(s) signing this certification is an authorized representative and owner of the business.
- By signing this certification, I acknowledge that I agree to and understand the eligibility and repayment terms of the loan program.

PRINTED NAME: _____

SIGNATURE: _____

EXHIBIT A

All required documentation shall be attached to the loan application at time of submittal. Please use this checklist to ensure your application is complete.

- Current City of La Quinta Business License
- W-9 Form (can be found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)
- 2020 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March
- 2019 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March to demonstrate hardship
- Payroll records for the months of January and February 2020 (Confidential information such as social security numbers or employee birth dates should be excluded)
- Tax Returns for 2018 and 2019
- Current FICO score of principal officer/majority owner
- Fully executed and signed loan application form

* If March 2020 financial statements are not yet prepared, banking records for March 2019 and 2020 demonstrating business losses may be accepted. Please redact account numbers before submitting.