



Legislation Text

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CITY of ALBUQUERQUE
TWENTY FOURTH COUNCIL

COUNCIL BILL NO. R-20-92 ENACTMENT NO. _____

SPONSORED BY: Brook Bassan and Trudy E. Jones

RESOLUTION

Approving Fiscal Year 2021 Appropriations To Provide Economic Relief To Small And Local For-Profit Organizations Negatively Impacted By The COVID-19 Pandemic Through The Coronavirus, Aid, Relief, And Economic Security Act (CARES Act) (Bassan, Jones)

WHEREAS, on March 11, 2020, Governor Michelle Lujan Grisham issued Executive Order 2020-004, Order Declaring a State of Public Health Emergency relating to the spread of COVID-19, which order has been extended and amended through subsequent related orders by the Governor and New Mexico Department of Health (the "Public Health Orders"); and

WHEREAS, in the subsequent weeks these orders, among other things, operated to limit public gatherings and required non-essential businesses to close or otherwise adjust or limit business activity; and

WHEREAS, on March 27, 2020, the President signed into law the U.S. Government's Phase 3 aid package to provide relief due to COVID-19 through the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"); and

WHEREAS, the City of Albuquerque received a direct payment of federal funds as established in Section 5001 of the CARES Act; and

WHEREAS, the funding will be used to cover costs incurred due to the public health emergency with respect to COVID-19 for the period beginning March 1, 2020 through December 30, 2020; and

WHEREAS, the CARES Act funding allows for economic assistance to small businesses

impacted by the public health emergency to include grants to small businesses to reimburse the costs of business interruption caused by required closures; and

WHEREAS, the City of Albuquerque received a direct payment of \$150,364,461 through the CARES Act which was accepted by the City Council through Resolution R-20-34 and appropriated to the Operating Grant Fund (265) for Fiscal Year 2020 and 2021 and except for funds to reimburse the City for direct COVID-19 related expenses, these funds can't be expended without an appropriation by City Council; and

WHEREAS, 1,400 small businesses with 5 or fewer employees applied for the City's Micro-Business Relief Program; and

WHEREAS, 150 small businesses received a grant of up to \$5,000 to cover day-to-day operating expenses such as payroll or losses due to destabilizing events; and

WHEREAS, businesses in the Albuquerque city limits are ineligible to obtain grants from the State of New Mexico due to Albuquerque receiving CARES Act funding directly from the federal government; and

WHEREAS, to date, the City Council has approved approximately \$45 million of CARES Act grant funding for expenditure through Resolution F/S R-20-73; and

WHEREAS, the City Council desires to promote the welfare of the community through local economic stability assistance during the continuing 2020 COVID-19 pandemic by appropriating additional CARES Act funding for local small business assistance; and

WHEREAS, the approval to spend these funds for the purposes described in the Resolution is timely and necessary.

BE IT RESOLVED BY THE COUNCIL, THE GOVERNINING BODY OF THE CITY OF ALBUQUERQUE:

SECTION 1. That 10 million dollars (\$10,000,000) is hereby approved as an expenditure from the CARES Act in the Operating Grants Fund (265), to be administered by the Economic Development Department to provide grants to qualifying small businesses (as described in Section '2', below) affected by the Public Health Order. The City will provide a grant of up to \$10,000 per business to help offset business losses for expenses such as, but not limited to, payroll, rent, utilities, inventory, or other necessary business expenses; or other direct business losses due to destabilizing events associated with the COVID-19 Pandemic. The City will award the grants on a lottery system.

SECTION 2. The following must be satisfied in order to be eligible for the grant authorized by

this Resolution:

- a. The business must have 50 or fewer full-time employees, including the owner/s. For purposes of counting a full-time employees, two part-time employees will be equivalent to one full-time employee;
- b. The business must be registered, have their place of incorporation, and be physically located within the Albuquerque city limits;
- c. The business must have experienced financial hardship due to COVID-19;
- d. The business must have been in business for at least 1 year;
- e. Funds must be deposited into a business bank account and only be used for business expenses;
- f. Business owners must provide a brief summary about the use and results of the grant funds six months after receipt;
- g. Businesses that are franchises or restricted to patrons above the age of 18 or older will not be eligible for award (for example, bars or smoke shops).

SECTION 3. The Economic Development Department may consider other criteria when determining eligibility of applicants.

SECTION 4. EMERGENCY MEASURE; EFFECTIVE DATE. This resolution is passed and approved as an emergency measure and takes effect immediately upon adoption.