

**GRANT AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE
CITY OF SANTA ANA IN SUPPORT OF SANTA ANA BUSINESS
INTERRUPTION FUND PROGRAM**

This Grant Agreement (the “Agreement”) is made and entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “County,” and the City of Santa Ana, a municipal corporation, hereafter referred to as “City,” with the County and City referred to as “Party,” or collectively as “Parties.”

WHEREAS, on February 26, 2020, the County Health Officer declared a local health emergency based on an imminent and proximate threat to public health from the introduction of a novel coronavirus (named “COVID-19”) in Orange County (the “COVID-19 Emergency”); and

WHEREAS, on March 2, 2020, the Board of Supervisors adopted Resolution No. 2020-11 ratifying the local health emergency declared by the County’s Health Officer; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California due to the threat of COVID-19; and

WHEREAS the COVID-19 pandemic and the necessary physical distancing measures implemented have impacted many businesses, leading to business closures, loss of employee hours and wages, and layoffs; and

WHEREAS, in addition to recovering from the impacts of the COVID-19 pandemic, many small businesses in Downtown Santa Ana (DTSA) are currently facing economic challenges due to transit rail construction in Downtown Santa Ana (DTSA) due to the OC Streetcar transit project; and

WHEREAS on March 1, 2022, the Santa Ana City Council approved the establishment of a Santa Ana Business Interruption Fund (SBIF) Program pursuant to which the City would provide grants to small businesses in DTSA to help mitigate the economic impact of transit rail construction on small businesses that must rely on foot traffic flow as their main source of revenue, such as retailers, restaurants, and personal care services; and

WHEREAS on May 10, 2022, the Orange County Board of Supervisors approved the use of \$1.2 million of the Second Supervisorial District’s allocation of

American Rescue Plan Act (ARPA) funding to support Santa Ana small businesses impacted by ongoing streetcar construction and the COVID-19 pandemic; and

WHEREAS, to increase the funding for and expand the scope of the City's SBIF Program, the Parties have agreed that the County shall transfer the grant amount described herein to the City.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM OF AGREEMENT.** The term of this Agreement begins on the date it is fully executed by the Parties and terminates on December 31, 2022, or when all obligations under this Agreement are fully satisfied, whichever occurs earlier.

2. **USE OF GRANT AMOUNT.**

a. City shall use the grant amount provided under this Agreement to pay for Eligible Expenses that are incurred during the period that begins on March 1, 2022, the commencement date of the SBIF program, and ends on December 31, 2022.

b. The term "Eligible Expenses," as used in this Agreement, shall mean amounts paid by the City as grants under the City's SBIF program ("SBIF Grants") to small businesses with 25 or fewer full-time employees ("Small Businesses"). The City may use up to \$50,000, or four percent (4.0%) of the grant amount, whichever is greater, for costs directly related to administration of SBIF Grants awarded pursuant to this agreement. Applicants that have already received an award of City funds under the SBIF program shall automatically qualify for grants funded by this Agreement. SBIF Grants to Small Businesses that are funded by the grant amount shall be distributed in the following amounts per business:

- i. \$20,000 – Rents above \$6,000
- ii. \$10,000 – Rents between \$3,000 and \$6,000
- iii. \$5,000 – Rents below \$2,999
- iv. \$1,000 – Pre-permitted Pushcart Peddlers with active permits.

- v. \$1,000 – Independent contractors that work in DTSA most of the time (i.e., 1099 contractors, artist, estheticians, barbers, etc.).

c. The City shall notify applicants to, and recipients of, SBIF Grants, which are funded pursuant to this Agreement by the grant amount, that the grant is provided with “County Funded Support.”

d. City must utilize the grant amount in accordance with all Federal and State laws.

3. PAYMENT OF GRANT AMOUNT

a. The County shall pay City a grant amount of **\$1,200,000** within 10 business days after this Agreement has been fully executed. All City expenditures of the grant amount must be for Eligible Expenses as described in Paragraph 2 of this Agreement.

b. It is understood that the County makes no commitment to fund this Agreement beyond the terms set forth herein.

c. If City has not spent any portion of the grant amount it has received under this Agreement to cover Eligible Expenses by December 31, 2022, City shall return to the County by January 31, 2023, the amount remaining unspent as of December 31, 2022.

4. **STATUTES AND REGULATIONS APPLICABLE TO GRANT.** City must comply with all applicable requirements of State, Federal, and County of Orange laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. City must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. City must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

a. Political Activity Prohibited. None of the funds, materials, property, or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Funds provided under this Agreement may not be used for any purpose designed to support or defeat any pending legislation or administrative regulation.

b. Tax Reporting. City is responsible for any tax reporting requirements that arise from City's distribution of economic support to Small Businesses, including the filing of any required tax forms with the IRS and the issuance of any required tax forms to recipients of economic support from the City.

5. REPORTS.

a. Final Report. Upon the earlier of the City's expenditure of the balance of the grant amount or December 31, 2022, the City shall provide a report to the County that shall: (1) identify the Eligible Expenses paid from the grant amount; (2) identify the name and location of each Small Business, which received a SBIF Grant was funded by the grant amount, and the amount of the SBIF Grant paid to each Small Business; and (3) state the balance of the grant amount that the City has not spent, if any.

b. The City shall provide a certification signed by its chief executive officer with each report required under this Paragraph 5 that the statements contained in the report are true and that the expenditures described in the report comply with the uses permitted under Paragraph 2.

c. The City shall maintain supporting documentation for the reports required by this Paragraph 5 consistent with the requirements of Paragraph 6.

6. RECORDS MAINTENANCE. Records, in their original form, must be maintained in accordance with requirements prescribed by the County with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period four (4) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. Records, in their original form pertaining to matters covered by this Agreement, must be retained within the County of Orange unless authorization to remove them is granted in writing by the County.

7. RECORDS INSPECTION. At any time during normal business hours and as often as either the County or the Auditor General of the State of California may deem necessary, City must make available for examination all its records with respect to all matters covered by this Agreement. The County and the Auditor General of the State of California each have the authority to audit, examine and make excerpts or transcripts from records, including all City's invoices, materials, payrolls,

records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. City agrees to provide any reports requested by the County regarding performance of this Agreement. With respect to inspection of City's records, the County may require that City provide supporting documentation to substantiate City's expenses with respect to the City's use or expenditure of the grant amount.

8. **INDEPENDENT CONTRACTOR.** The City shall be considered an independent contractor and neither the City, its employees, nor anyone working under the City shall be considered an agent or an employee of County. Neither the City, its employees nor anyone working under the City shall qualify for workers' compensation or other fringe benefits of any kind through County.

9. **PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** City shall be responsible for obtaining all permits, licenses, and approvals required for performing any work under this Agreement. City shall be responsible for observing and complying with any applicable Federal, State, or local laws, or rules or regulations affecting any such work. City shall provide copies of permits and approvals to the County upon request.

10. **INDEMNITY.** The City agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees and agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the City's receipt, distribution or expenditure of the grant amount under this Agreement. The provisions of this paragraph shall survive the termination of this Agreement.

11. **NOTICES.** All notices, requests, demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

City:

Kristine Ridge, City Manager
City of Santa Ana
20 Civic Center Plaza (M31)
Santa Ana, CA 92701

County:

Selina Chan-Wychgel
County of Orange
County Executive Office
333 W. Santa Ana Blvd., 3rd Floor
Santa Ana, CA 92701

12. **DEFAULTS.** Should either Party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching Party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

13. **ATTORNEY FEES.** In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear its own attorney's fees, costs, and expenses.

14. **ENTIRE CONTRACT:** This Agreement contains the entire contract between the Parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes, or revisions are valid or binding on the parties unless authorized by the Parties in writing.

15. **AMENDMENTS.** No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes, or revisions are valid or binding on County unless authorized by County in writing.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year dated below.

CITY OF SANTA ANA
A California Municipal Corporation

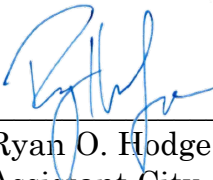
COUNTY OF ORANGE
A political subdivision of the State of California

By: _____
City Manager

By: _____
Director, OC Community Resources

Date: _____

Date: _____

By:  _____
Ryan O. Hodge
Assistant City Attorney

By: _____
Supervising Deputy County Counsel

Date: June 9, 2022

Date: _____