

Resolution No.: 19-782  
Introduced: February 9, 2021  
Adopted: April 6, 2021

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Councilmember Jawando

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**SUBJECT:** Special Appropriation to the Fiscal Year FY21 Operating Budget Montgomery County Government, Office of the County Executive, Latino Economic Development Center Contract, Support for COVID-19 Response – Small Business Rental Assistance, \$[1,500,000] 1,011,156 (Source of Funds: [Undesignated Reserves]Federal grant)

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. A new coronavirus disease, named COVID-19, appeared in China in December 2019 and spread extremely quickly. On March 11, 2020, the World Health Organization declared the disease a pandemic. The April 11, 2020 situation report from the World Health Organization stated that the number of confirmed cases worldwide has exceeded 1.6 million. As of January 22, 2021, there were 55,951 cases and 1,220 deaths in Montgomery County.
3. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing schools; prohibiting activities by non-essential businesses that restrict traditional on-site operations; closing senior centers and adult medical day care programs; limiting the number of people that can gather; and closing all gyms, movie theaters, and bars and restaurants (excluding carryout and delivery service).
4. The efforts to contain the spread of the disease and the disease itself continues to have a crippling impact on Montgomery County's local business community.

5. Many businesses in the County are small retail or service-oriented businesses that depend on customer volume to meet basic liabilities, like rent payments. The pandemic has significantly disrupted these businesses for more than 10 months.
6. The Council through this special appropriation is creating a program to provide grants to small businesses to support rental costs, either current or arrears rent payments, and based on the criteria in Paragraphs 7 and 9.
7. A business is eligible to receive assistance from this program if it: 1) has its physical location(s) only in the County; or its County-based locations account for more than 50% of the business's total number of employees or 50% of the business's gross sales; 2) receives \$500,000 or less in annual revenue prior to the pandemic; 3) is classified as a retail or service-related business but is not a restaurant or food service business, medical practice, professional services business, religious organization, or daycare facility; and 4) has a commercial lease in the County; and 5) can demonstrate a revenue loss due to the pandemic.
8. [Priority consideration should be given to businesses that are minority- and women-owned, and to businesses that lease space in Zip Codes that have experienced the greatest impact from COVID-19 based on number of cases.] The Latino Economic Development Center intends to prioritize grants based on ranked factors that include the revenue loss suffered and number of years that a business has been established. Ranked factors will only be used if the number of eligible applicants exceed the total amount of grant funding for the program.
9. Each eligible business may be awarded a grant up to three-months of rent based on its current lease or \$10,000, whichever is less, for this program.
10. A FY21 Operating Budget special appropriation is requested for the Economic Development Fund:
 

<u>Personnel</u>	<u>Operating</u>	<u>Total</u>	<u>Source</u>
<u>Services</u>	<u>Expenses</u>		<u>of Funds</u>
\$0	\$[1,500,000] <u>1,011,156</u>	\$[1,500,000] <u>1,011,156</u>	[Undesignated Reserve] <u>Federal</u>

grant
11. This special appropriation is needed to implement this program.
12. Notice of public hearing was given and a public hearing was held.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

A special appropriation to the FY21 Operating Budget for the Economic Development Fund:

<u>Personnel</u> <u>Services</u>	<u>Operating</u> <u>Expenses</u>	<u>Total</u>	<u>Source</u> <u>of Funds</u>
\$0	\$[1,500,000]1,011,156	\$[1,500,000]1,011,156	[Undesignated Reserve]Federal grant

This special appropriation must only be used to implement the program as defined in Paragraphs 7 and 9. No more than 10% of this appropriation may be used to administer the program.

This appropriation is needed to act without delay in the public interest.

This is a correct copy of Council action.

  
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 Selena Mendy Singleton, Esq.  
 Clerk of the Council