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City of Solvang, California Declares COVID-19 Public Health and Safety and Economic Cessation Emergency, in Effort to Access Available Emergency Funding and Reimbursement

-- City also Establishes \$250,000 Emergency Loan Assistance Program for Solvang Small Businesses Suffering COVID-19-Related Losses --

Solvang, CA – At a [Special Emergency Meeting of the Solvang City Council](#) on March 20, 2020, the Solvang City Council took action to declare a COVID-19 Public Health and Safety and Economic Cessation Emergency, in an effort to access all available emergency funding and reimbursement to the region [so dependent on tourism](#). In the same meeting, the City of Solvang (www.CityofSolvang.com) also took action for an unprecedented emergency response to aid the City's businesses: the establishment of a \$250,000 Emergency Loan Assistance Program for small businesses suffering COVID-19-related losses due to the economic cessation surrounding the pandemic.

"The City is hearing from business owners of their need for immediate support in the face of the economic cessation that has hit the community. This micro-loan program will give businesses the breathing room to then work with other programs, such as SBA and other recovery programs being developed at this time," said Solvang Mayor Ryan Toussaint.

The \$250,000 Emergency Loan Assistance Program, funding of which will come from City reserves, is meant to meet emergency cash flow needs of Solvang small businesses while they wait for U.S. Small Business Administration ("SBA") Economic Injury Disaster Loan applications, or the like, to be processed. The small business loans will also enable Solvang businesses to continue to keep more workers employed. The \$250,000 loan program would provide for micro-loans of up to \$5,000 per applicant Solvang business.

City Manager Xenia Bradford, in her role as Emergency Services Director, will oversee the expedited development of this program, reporting back to the City Council on the program's status at the next available City Council Meeting. Beginning Monday, March 23, 2020, a preliminary request form for this loan program will be available on the new Solvang Resources website: www.SolvangResources.com. The forms will collect business contact information and loan amount requests. City staff will then contact each business which completes a form.

Other actions made during the March 20, 2020, [Special Emergency Meeting of the Solvang City Council](#), were to:

- implement a non-cessation of services policy for water or sewer, for any Solvang customer unable to pay for these services during the state of emergency, as well as to waive any late payment penalties on charges incurred for the period beginning February 1, 2020 through the end of the state of emergency;
- waive all penalties for late payment of Transient Occupancy Tax ("TOT") with proof of financial hardship, and to develop a TOT payment program over time to recognize the need for investment in economic recovery until a minimum of May 30, 2020, to be revisited as conditions progress;

- explore and develop partnerships with financial institutions and lenders to defer mortgage payments, halt foreclosures, and provide other economic relief for individuals and businesses facing economic hardship due to the COVID-19 situation;
- identify and facilitate delivery of resources, through partnerships with other agencies, businesses and non-profits, to safely assist people under self-quarantine due to COVID-19;
- work with the Economic Development Ad Hoc Committee and IDK Events to develop an economic recovery program, including training and resources for residents and businesses;
- and, revise the IDK Events contract to focus on emergency aid and response issues including mitigation of economic cessation and recovery planning and implementation.

The City Council also voted to implement a fiscal contingency plan to address immediate emergency response and mitigate economic impacts to ensure long-term City fiscal health, which includes immediate budgetary adjustments with the goal of freeing up \$1 Million in cost savings. As part of this plan, all City staff and other resources would be realigned to eliminate non-essential services and to focus on the provision of essential services of water, wastewater, public health and safety, maintenance and mitigation of impacts from economic cessation and to prepare for recovery. The plan would also track and seek advance payment or reimbursement for all emergency-related costs or programs, and would include work with regional and other partnerships, with the goal of eventual return of services to the community in a cost-effective and sustainable manner, in light of an anticipated extended recovery period.

Mayor Toussaint also mentioned that the City will continue to develop remote participation technology for City Council Meetings, during this time when social distancing measures remain in place. The public is invited to check for updates on remote Council Meeting participation, on the [City of Solvang](#) website and on the [Solvang Resources](#) website, where the City will make further announcements as to how to remotely participate. The City of Solvang strongly urges the public to watch all City Council Meetings from their homes; the link for doing so is here: www.CityofSolvang.com/YouTube. Anyone wishing to make public comment may send comments to Council@CityofSolvang.com prior to each announced meeting.

The City of Solvang will also post updates and information about all topics discussed during the March 20, 2020 Solvang City Council Meeting on the new Solvang Resources website: www.SolvangResources.com. Questions related to the decisions made during the March 20, 2020 Solvang City Council Meeting may be directed to media@CityofSolvang.com.

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