



# City of SANTA CLARITA

## Bouquet Canyon Business Assistance Grant Program Program Guidelines: Exhibit A to Resolution No. 26-45

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### Program Framework:

- 1. Introduction:** The City of Santa Clarita (City) plays an important role in supporting the economic vitality and long-term stability of the Santa Clarita community. The City advances this objective in part by maintaining a “Business-Friendly” environment and supporting businesses of all sizes and industries. The City’s Economic Development Division provides site selection assistance, market research, business retention and expansion services, permitting support, workforce resources, and connects businesses with regional partners and other available resources.

Business retention and expansion are essential to maintaining a vibrant business community and high-quality of life for residents. Business closures and prolonged commercial vacancies can result in job losses, commercial blight, reduced economic activity, and diminished investment in the surrounding community. Accordingly, maintaining the stability and viability of the City’s commercial areas serves a broader community and economic interest.

The Bouquet Canyon Project (Project) is located in the developed community of Saugus along the northern edge of the City on the eastside of Bouquet Canyon Road, and south of Copper Hill Drive. The Project includes construction of a new segment of Bouquet Canyon Road along the eastern portion of the Project site, following the general alignment identified in the General Plan Circulation Element. During construction of the Project, Bouquet Canyon Road is closed from Plum Canyon Road to David Way, with traffic detoured through Haskell Canyon Road and Copper Hill Drive. The road closure began on February 13, 2026, and is anticipated to remain in place for approximately 11 months. The City recognizes that an extended roadway closure of this nature can impact residents who live and travel in the area, as well as businesses within the impacted commercial corridor, by altering normal access and travel patterns and potentially disrupting customer activity.

- 2. Purpose:** The Business Assistance Grant is intended to preserve the economic stability and ongoing viability of the impacted commercial corridor during the roadway closure by providing short-term financial assistance to affected businesses. The assistance is designed to help businesses remain open, retain employees, and continue serving the community, while reducing the risk of business closures, prolonged vacancies, job losses, loss of tax revenue, increased vehicle miles traveled, commercial blight, and diminished investment in the surrounding area.

The specified corridor contains over 54,000 square feet of commercial space occupied by a diverse mix of business and organizations that serve residents in the



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surrounding community. These establishments provide access to everyday goods and services, including food and dining, convenience retail, personal care, fitness and recreational activities, educational services, and community and faith-based services. Collectively, these uses provide local employment, generate economic activity and contribute to an active and occupied commercial area. Preserving the continued operation of the corridor through the temporary construction period serves the public interest at large.

The assistance will be administered through small business grants intended to support certain fixed operating expenses through the remaining road closure. Qualifying businesses for awards shall be those with at least one year of operating history within the specified construction corridor be solvent and in good standing with applicable governmental authorities; and able to produce financial records demonstrating economic hardship directly related to the period of construction disruption.

- 3. Business Eligibility:** To qualify for assistance, a business would be required to:
  - Be a for-profit business or eligible non-religious nonprofit organization located within the defined commercial corridor, which is limited to businesses located within the following Assessor's Parcel Numbers (APNs) 2812-038-005; 2812-038-006; 2812-038-007; and 2812-008-030;
  - Have operated continuously at the location for at least 12 months prior to the road closure;
  - Provide financial documentation demonstrating a measurable revenue decline during the closure, such as federal tax returns, payroll records, sales tax reports, and bank statements; and
  - Be solvent and in good standing with applicable governmental authorities.
- 4. Ineligible Businesses:** The following types of businesses are ineligible to receive funds through the Program:
  1. National or regional chain retailers or outlets unless operated under a franchise agreement
  2. Commercial property owners
- 5. Grant Award:** An eligible business that can demonstrate economic hardship associated with the Bouquet Canyon Road closure may receive a grant to support continued business operations during the remaining closure period. Grant awards shall be based on the severity of demonstrated economic hardship and the business's eligible fixed operating expenses, with prior revenue declines used as an indicator of the level of assistance needed to support continued operations.



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Grant awards may provide up to 50% of the business's eligible fixed operating expenses for a six-month period, not to exceed \$35,000. The applicable percentage shall be determined based on demonstrated revenue decline<sup>1</sup> during the road closure through the most recent eligible quarters<sup>2</sup> available at the time of application. Revenue decline shall be calculated by comparing each completed quarter occurring during the road closure with the corresponding quarter of the preceding year. The greatest demonstrated percentage decline among the completed eligible quarters shall be used to determine the applicable grant award percentage.

The revenue comparison is intended to measure the severity of economic hardship experienced by the business and establish the level of operating assistance needed to support its continued operation during the remaining road closure period. Grant awards are forward-looking and are not intended to reimburse businesses for previously lost revenue.

#### Example Formula:

- 5-10% revenue decline – 10% of 6-month fixed expenses
- 11-20% revenue decline – 20% of 6-month fixed expenses
- 21-30% revenue decline – 30% of 6-month fixed expenses
- 31%+ revenue decline – 50% of 6-month fixed expenses

Eligible businesses may receive one Business Assistance Grant during the Program. The award amount shall be determined at the time of application based on the applicable revenue decline tier and documented eligible operating expenses for the grant assistance period. Businesses that receive an award may not subsequently apply for additional funding under the Program, and total assistance to any business shall not exceed \$35,000.

- 6. Eligible Expenses:** Business Assistance Grant funds shall be used to support continued operation of the business through the remainder of the road closure. Grant funds may be used for the following eligible operating expenses:

- a. Utilities
- b. Insurance
- c. Rent
- d. Payroll and associated employer payroll costs

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<sup>1</sup> Revenue decline is defined as a decrease in business revenues throughout the quarter(s) containing period of time during the Bouquet Canyon Road closure.

<sup>2</sup> A completed calendar quarter containing any portion of the Bouquet Canyon Road closure and for which the business can provide sufficient financial documentation to establish gross revenue.



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Applicants shall provide documentation sufficient to substantiate eligible operating expenses for the six-month grant assistance period. Acceptable documentation may include current lease or rental agreements, utility bills or account statements, insurance invoices or policy statements, payroll registers, payroll processor reports, and other records deemed acceptable by the City.

Federal and State taxes shall not be considered fixed operating expenses for the purposes of the grant.

- 7. Grant Agreement, Verification, and Compliance:** Prior to receiving a Business Assistance Grant, each grantee shall enter into a grant agreement with the City establishing the terms and conditions of the award. The grant agreement shall require the grantee to remain open and actively operating for a period of no less than two years following execution of the grant agreement. If a grantee ceases operations prior to the end of the two-year period, the City may require repayment of a pro-rata portion of the grant based on the remaining term of the two-year period.

Applicants shall certify that all information and documentation submitted in connection with the application is true, accurate, and complete, including financial records used to establish economic hardship, eligible operating expenses and the applicable grant award amount.

Grantees shall maintain financial records and supporting documentation related to the grant award and use of grant funds for a period of two-years following receipt of the award. The City, or its authorized representative, reserves the right to review and audit such records to verify eligibility, the accuracy of information provided in the application, and compliance with the terms and conditions of the Program and grant agreement. Grantees shall provide requested records within a reasonable period established by the City.

Any material misrepresentation, submission of false or misleading information, use of grant funds for ineligible purposes, or other material violation of the Program requirements or grant agreement may result in the grantee being required to repay all or a portion of the grant award, as determined by the City.

Grant recipients are responsible for determining and satisfying any applicable Federal or State tax obligations associated with receipt of grant funds. Grant awards may constitute taxable and reportable income, and the City will issue any applicable tax reporting documentation as required by law.



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- 8. Appeals Process:** An applicant denied Business Assistance Grant funding, or disputing the amount of an award, may submit a written request for reconsideration within 10 business days of receiving notice of the determination. The request shall identify the basis for reconsideration and include any supporting documentation. Requests shall be submitted to the City of Santa Clarita Economic Development Division.

Upon receipt of a timely request, the Economic Development Division shall review the application, supporting documentation, initial determination, and any additional information submitted by the applicant. If a third-party grant administrator is utilized, the administrator may provide the City with the application record and basis for its initial determination.

The Director of Economic Development, or designee, shall issue a determination on the request for reconsideration within 10 business days, unless additional information is required from the applicant. The Director or designee may uphold, modify, or reverse the initial determination based on the eligibility requirements and provisions of the Business Assistance Grant Program.

The determination of the Director of Economic Development, or designee, shall be final.

- 9. Program Schedule:** The application period is anticipated to take place from October through November, 2026. Following application review, awards will be issued to eligible businesses. Grant recipients must remain open and actively operating for a minimum of two years following execution of a grant agreement.