



# COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID SMALL BUSINESS RELIEF STABILIZATION PROGRAM GUIDELINES & APPLICATION

Funding is limited. Awards will be on a first-come, first-eligible basis.

## PROGRAM GUIDELINES

### I. Summary

Community Development Block Grant is a federally funded program under the CARES ACT. City CDBG-CV funds may be used to secure economic opportunities for low-and moderate-income persons. CDBG-CV funds are targeted to businesses of the City that have the highest adverse impact as a result of the Coronavirus.

### II. Purpose

The Small Business Stabilization Program (SBSP) is designed to promote economic stability by providing immediate relief in the form of a one-time forgivable loan for essential operating expenses to small businesses negatively impacted by COVID-19.

### The goals of this program are:

1. Help small businesses survive the COVID-19 crisis.
2. Retain employment and continue to pay employees.
3. Maintain the provision of goods and services for residents.

### III. Funding

The maximum CDBG-CV award will be \$25,000 upon approval and in compliance with CDBG- CV criteria.

### IV. Eligibility

A business must meet **ALL** the following criteria to be eligible to apply:

1. Must be a private, for-profit business. \*Independent Contractors are not eligible for this program.
2. Business and/or any owner may not be suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal transactions.
3. Businesses must have less than 15 FTE, (full-time equivalent employees).
4. The business must have a physical storefront establishment within city limits.
5. Businesses must have a current business license or bring current as a result of assistance.
6. The business must have experienced a negative impact due to COVID-19, by certifying that the



business has experienced at least a 25% reduction in revenue since March 1, 2020, and that grant proceeds will be used for allowable expenses under the Federal CDBG-CV Act guidelines Applicant business cannot have any unremedied City Code violations.

7. No national chains. National chains are defined as franchises/for-profit corporations; except in the case where the franchisee or brand has a city-based owner.
8. Operating as a business in the participating city since the year 2019.
9. Business may **NOT** be delinquent in State and/or Federal licensing and filings.

If CDBG-CV funds are awarded to a business, the business must meet the following requirement:

1. Business will create/retain at least **one full-time or full-time equivalent (40 hours/week) low or moderate-income permanent job (LMI Job) within 12 months.** Moderate income means less than or equal to 80% of the Area Median Income (AMI). See Section 4 of the application for income and details on how to meet the HUD National Objective for jobs.
2. If business is retaining LMI job(s) – business must demonstrate clear objective evidence that permanent LMI job(s) would be lost without CDBG-CV assistance.
3. For each job determined to benefit low- and moderate-income persons based on the creation of jobs, the businesses owner shall provide the documentation described in either paragraph (i) or (ii) of this section as required by 24 CFR Part 570.506(b)(5).

2020 CDBG Income Limits								
Area Median Income	1	2	3	4	5	6	7	8
Very Low Income 30%	14,700	16,800	18,900	20,950	22,650	24,350	26,000	27,700
Low Income 60%	29,400	33,600	37,800	41,940	45,300	48,660	52,020	55,380
Moderate Income 80%	39,150	44,750	50,350	55,900	60,400	64,850	69,350	73,800

(i) Where the recipient chooses to document that at least 51 percent of the jobs will be available to low- and moderate-income persons, documentation for each assisted business shall include:

(A) A copy of a written agreement containing:

(1) A commitment by the business that it will make at least 51 percent of the jobs available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education.

(2) A listing by job title of the permanent jobs to be created indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time, if any; and

(3) A description of actions to be taken by the recipient and business to ensure that low- and moderate-income persons receive first consideration for those jobs, and;

(B) A listing by job title of the permanent jobs filled, and which jobs of those were available to low- and moderate-income persons, and a description of how first consideration was given to such persons for those jobs. The description shall include what hiring process was used; which low- and moderate-income persons were interviewed for a particular job; and which low- and moderate-income persons were hired.



(ii) Where the recipient chooses to document that at least 51 percent of the jobs will be held by low- and moderate-income persons, documentation for each assisted business shall include:

(A) A copy of a written agreement containing:

(1) A commitment by the business that at least 51 percent of the jobs, on a full-time equivalent basis, will be held by low- and moderate-income persons; and

(2) A listing by job title of the permanent jobs to be created, identifying which are part-time if any.

(B) A listing by job title of the permanent jobs filled and which jobs were initially held by low- and moderate-income persons; and

(C) For each such low- and moderate-income person hired, the size and annual income of the person's family prior to the person being hired for the job.

4. If funds are used for Capital Improvements, applicants must comply with 2 CFR part 200, subpart D, and Federal labor compliance standards.

**V. Terms**

Loan will be forgiven over a one-year period as the business meets the required LMI job creation/retention requirement as outlined in the written agreement.

**VI. Eligible Uses (CDBG-CV funds can be used for):**

Rent

Mortgage

Utilities

Payroll

Other operating expenses

Purchase of Furniture, fixtures, and equipment required to operate under COVID requirements.

Capital Improvements for modifications required to address COVID related impacts (drive-thru, curbside pickup, no-touch entries).

**VII. Ineligible Uses (CDBG-CV funds cannot be used for):** Loan

Payments to Small Business Assoc. (SBA)

Governmental Uses or Expenses

Political Activities Personal Property Savings

**VIII. Application Process**

Applicants must complete and submit a funding application to Self-Help Enterprises (SHE). Applications will be reviewed on a first-come, first-eligible-served basis. All required supporting documentation **MUST** be submitted with a completed application in order to be considered for CDBG-CV funding.

Applicants will be notified of their application's approval or rejection and funding amount, by Self-Help Enterprises staff. Amount of funding awarded to a business will be based on need. Once program funding is exhausted, other qualified applicants will be placed on a waiting list if/when additional funds become available.

## **\*\*REQUIRED DOCUMENTS\*\***

**You will not be able to leave and return to your application. Ensure you have the following documents ready to upload before beginning this form:**

- (1) Business License**
- (2) Proof of Insurance**
- (3) Financial Statement that includes;**
  - (a) Income Statement,**
  - (b) Balance Sheet, and**
  - (c) Statement of Cash Flows**
- (4) Current signed IRS Tax Return**

**You will also need the following information to fill out the form: DUNS number, and Tax ID/EIN**

### **IX. Review Process**

The following priorities will be considered when awarding funds:

- The business provides jobs to low-income individuals.
- The number of jobs that the business sustains during a normal business cycle (pre COVID- 19 levels).
- The business demonstrates that it has lost a significant share (25% or more) of revenue due to the COVID-19 pandemic.
- The business demonstrates a strong chance of remaining open post-COVID-19.
- Duplication of benefits statement.
- Ethnicity/race demographics for federal reports.
- Documentation of all client expenses.
- All eligibility criteria have been met.

### **X. Nondiscrimination and Inclusion**

Title VI of the Civil Rights Act of 1964 requires that, “No person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.” We strongly encourage under-represented and non-English speaking families in your community have a fair chance of receiving assistance. Steps could include:

- Working with services providers that serve primarily race and ethnic minority groups to announce the availability of assistance to hard-to-reach residents.
- Allowing non-English speaking residents, a fair amount of time to apply and gather the necessary documentation and providing translation or other language support.
- Accessing COVID-19 racial equality and social justice resources.



# Small Business Stabilization Loan Application

## 1. BUSINESS INFORMATION

Business Name:

Business Owner Full Name:

Business Address:

City/ State/ Zip:

Business Owner Address:

City/ State/ Zip:

Business Phone:

Email Address:

Website:

Contact Phone:

Type of Business (please list usual activities):

Are you an Independent Contractor?

Does the business own or lease the building it occupies?

Was your business forced to shut down due to COVID-19?

Is this a veteran-owned business?

Is this a minority-owned business?

Is this a woman-owned business?

Business License#

Start Date:

Tax ID#/EIN #

DUNS#:

*\*The DUNS # is required for all federally funded programs. Obtaining a DUNS number is free. Obtain one by calling 1-866-705-5711 or by applying online at <http://fedgov.dnb.com/webform>. If awarded funds, you must also register your business with SAM.GOV. This is a free service. Please create a user login and follow the steps to register the business with SAM.GOV. **Registration is required.***

**FUNDING REQUEST: \$**

**(The maximum is \$ 25,000)**

**Grant requests may not be fully funded due to availability and/or the approved grant expenses.)**

**How did you hear about this program?**

Organizational Structure (check one):

Sole Proprietorship

Corporation

General Partnership

Limited Liability Company (LLC)

Limited Partnership (LP)

Limited Liability Partnership (LLP)

Other:

## 2. ESTIMATED ADVERSE ECONOMIC IMPACT (Pre February 1, 2020, and Post February 1, 2020):

- a. How has your business been impacted by COVID-19? (Example: Sales decline in dollars, walk-in traffic, etc.)
  
- b. Describe what adverse economic effects COVID-19 has had on your business todate.
  
- c. What is your recovery plan?
  
- d. Is the owner of the business also an employee of the business?
  
- e. How many full-time (FT) and part-time (PT) employees did you employ prior to COVID-19? (Pre-February 1, 2020). Owner included if an employee of the business.
  
- f. How many full-time (FT) and part-time (PT) employees do you currently employ? How has this number changed? (Post-February 1, 2020) Owner included if an employee of the business.
  1. Job Title(s):
  2. List special skills or education required for each position.
  3. Expected time needed to hire (number of days following receipt of funds):
  4. Hourly Rate:
  5. Average hours per week per employee:
  6. How/where will the position be advertised?
  7. Is this position held by the owner?
  8. Notes you would like to provide for consideration.



#### 4. MEETING THE JOBS REQUIREMENTS

All CDBG-CV-funded activities must create or retain **Low or Moderate Income (LMI) Jobs** - jobs that are held by or made available to low and moderate-income (LMI) persons. HUD defines LMI person whose earnings are less than 80% of the area median income by family household size. **See *Income Limit Chart at bottom of this page.***

The applicant must satisfy the following LMI job objectives of the CDBG-CV program:

Low or Moderate Income (LMI) Job - The business must **create or retain** permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI person.

The following requirements must be met for jobs to be considered created or retained.

1. If a Business **creates jobs**, there must be documentation (Employee Certification Form) indicating that at least 51 percent of the jobs will be held by or made available to, LMI persons.
2. If a Business **retains jobs**, there must be sufficient information documenting that the jobs would have been lost without the CDBG-CV assistance and that one or both of the following applies to at least 51 percent of the jobs:
  - The owner of the business is a LMI person (Employee Certification Form Required at award); or
  - The job is held by a LMI person (Employee Certification Form); or
  - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by or made available to a LMI person.

The following requirements apply for jobs to be considered **available** to or held by LMI persons.

1. Created or retained jobs are only considered **available** to LMI persons when:
  - Special skill that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
  - The grantee and the assisted business take action to ensure that LMI persons receive first consideration for filling such jobs.

Income Limit Chart:

HUD 80% AMI limits, per household size			
1 person ≤ \$39,150	2 persons ≤ \$44,750	3 persons ≤ \$50,350	4 persons ≤ \$55,900
5 persons ≤ \$60,400	6 persons ≤ \$64,850	7 persons ≤ \$69,350	8 persons ≤ \$73,800



## 5. DISCLOSURE ASSURANCES AND SIGNATURES

Applicant agrees that the acceptance of this application does not commit the participating City to enter into an agreement, to pay any costs incurred in its preparation, to participate in subsequent negotiations, or to contract for the project. Further, the acceptance of this application does not constitute an agreement by the City that any contract will be entered into by the City. The City expressly reserves the right to reject any or all applications or to request more information from the applicant.

The applicant also agrees that the participating City will only consider funding for an application that has been completed in full, met all eligibility requirements, and has attached all supporting documentation. Applicant hereby certifies that all information contained in this document and any attachments is true and correct to the best of the applicant's knowledge.

The participating City, the Comptroller General of the United States, or any duly authorized representatives, will have access to any books, documents, papers, and records that are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs will be maintained for a period not less than 5 years following completion of the program agreement period, agreement termination, or default, whichever shall first occur.

No person who is an employee, agent, consultant, officer, appointed official, or elected official of the participating City of who exercises or has exercised any functions or responsibilities with respect to CDBG-CV activities, or is in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Hiring or retaining a LMI job is a condition of receiving CDBG-CV funding and must be created/retained prior to award of funds. Recipient of funds will be required to report monthly for a one-year period after the job creation/retention has occurred. The Written Agreement will further outline CDBG-CV requirements during the one-year period. A recipient will be required to repay CDBG-CV funds if LMI job creation/retention is not fulfilled within the one-year period.

### I UNDERSTAND AND BY SIGNING, AGREE:

All information I have provided in this application is true and correct to the best of my knowledge. I agree to notify you promptly in writing upon any material change in the information provided herein. You are authorized to make such inquiries, as you deem necessary and appropriate to verify the accuracy of this application.

I also agree to comply with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1964 and applicable provisions of federal statutes and regulations concerning equal employment opportunity laws and civil rights laws, and the provisions of the Americans with Disabilities Act. Grant recipients must give equal consideration to all qualified job applicants and treatment of employees without regard to race, color, religion, sex (including pregnancy, gender identity, and sexual orientation) national origin, age (40 or older), disability.

Signature · Business Owner

Date

Signature -Business Owner

Date

