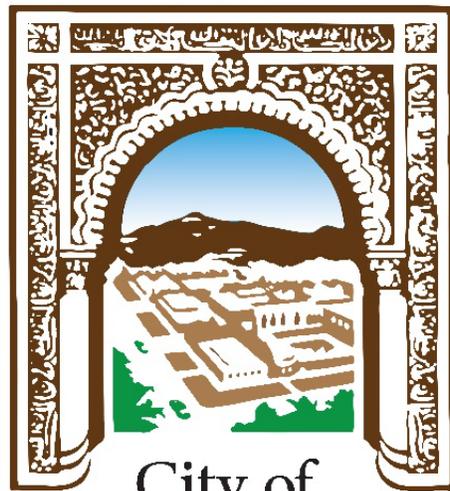


City of Alhambra
COVID-19 Related
Small Business Assistance Grants (SBAG)

Program Guidelines



City of
Alhambra

March 15, 2022

Introduction

On March 4, the Governor of the State of California declared a state emergency; on March 14, 2020, the President declared a national emergency; and on March 16, 2020, the Alhambra City Council declared a local state of emergency, all in response to the coronavirus pandemic. The purpose of the local state of emergency was to authorize the City Manager to take actions to protect the citizens of Alhambra.

In April 2020, the City of Alhambra received notification from the Department of Housing and Urban Development of a special allocation of funding to the City's CDBG program to prevent, prepare for, and respond to the Coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to respond to the growing effects of this historic public health crisis. A subsequent emergency CDBG allocation under the CARES Act was also subsequently made available.

These resources made available to Alhambra \$596,568 in CDBG-CV1 and \$825,987 in CDBG-CV3 to address the immediate needs of the Alhambra community. Pursuant to the funds, the City approved Substantial Amendments to the 2015-2019 Consolidated Plan and the 2019-2020 Annual Action Plan to include COVID-19 Testing, an Emergency Rental Assistance Program, and Senior Meals.

The City currently has approximately \$150,000 in unspent CDBG-CV funds; consequently, these funds are being redirected to a Small Business Assistance Program to assist Alhambra businesses still affected by the COVID-19 pandemic.

Program Overview

About the Program

The City of Alhambra established a Small Business Assistance Grant (SBAG) Program to support local small businesses impacted by COVID-19 with grants to retain the continuity of business operations for services to the community and/or assist income-qualified microenterprises. Financial assistance in one-time \$5,000 grants is available to eligible applicants. Grants are based on availability, program guidelines, and the submission of all required information and supporting documentation proving financial hardship or recovery relating to COVID-19.

Grant funds can be used for a variety of needs including but not limited to overhead expenses, rent, utilities, business services such as marketing to increase capacity, and necessary equipment to continue business operations, or expenses related to COVID-19 such as Personal Protection Equipment or expenses incurred to adopt safer operating procedures. The program is funded through emergency relief funds from the US Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974. Businesses must meet all program requirements to be eligible for grant funds.

Program Administration

Alhambra's Management Services Department will serve as the primary contact for the implementation of the SBAG Program guidelines. The City will:

- Be responsible for the overall oversight and administration of the Alhambra SBAG Program.
- The disbursement of funds will take place through the City's Finance Department.
- The City's Partner, the Alhambra Chamber of Commerce (the Chamber), will provide marketing support to the program via the Chamber's platforms. The Chamber may have other resources available to support business recovery and technical business assistance.
- SBAG applications will be accepted by the Management Services Department for the review of financial and business documentation and grant approval thereof.
- City staff is obligated to fulfill the terms and conditions of the funds, including recordkeeping, as established by the City, the SBAG program guidelines, and federal HUD rules and regulations.
- Businesses do not need to be Chamber members to apply.

City Reserved Rights

The City reserves the right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to request additional information of the applicants as deemed necessary and appropriate by the City; (4) to conduct further due diligence with applicants or any third party; (5) to modify the City's objectives or the scope of the program; (6) to modify program requirements, general terms and conditions, or eligible activities; and/or (7) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

General Terms and Conditions

Eligibility

To be eligible to apply for the Alhambra Small Business Assistance Grant (SBAG) Program, a business must meet certain criteria as established by the City of Alhambra and as set forth by the U.S. Department of Housing and Urban Development (HUD) for utilizing CDBG-CV funds. The business must also demonstrate the need for financial support resulting from COVID-19.

The business applicant must meet the following minimum requirements to be considered for grant funding:

- Qualifying businesses must be a for-profit and physically located in the city limits of Alhambra with no more than 25 employees including the owner(s) or be a microbusiness with 5 or fewer employees including the owner(s).
- The business must have a current business license with the City of Alhambra.
- The business must have been operational for at least six months.
- The business must be in good standing with the City (must have no violations with federal, state, or local government). There must be no liens against the business.
- Must obtain D-U-N-S Number if awarded a grant. A D-U-N-S Number is required for all federally funded programs.
- The business must have experienced demonstratable impact or hardship in business operations due to COVID-19.

- The business must meet HUD’s criteria of low-income benefit.
- The business must not have received business assistance from other sources, including federal, state, or county governments for programs such as the Small Business Association (SBA), Economic Injury Disaster Loan (EIDL), SBA Express Bridge Loan, SBA Debt Relief, or Paycheck Protection Program (PPP) Loan. Relief is not eligible if the funds are a duplication of benefits provided by the City.
- The business must submit the application, and all required supporting documentation including a W-9 Form.
- The business must have incurred COVID-related expenses prior to the submittal of this application. This program does not advance grant funds for future expenses.
- City employees and elected officials are not eligible to participate in this program.

Ineligible Applicants

An ineligible applicant is one that has a physical business location outside Alhambra’s City Limits. Additional ineligible businesses include but are not limited to:

- Businesses with Active Municipal Code violations.
- Corporate and franchise businesses.
- Residential and commercial landlords or real estate projects including short term rentals.
- Lending and investment institutions. Financial planners.
- Hotels/Motels.
- New and Used Auto Sales.
- Non-profit entities.
- Doctor offices.
- Attorney and Paralegal offices.
- Insurance offices.
- Accountants.
- Any business that does not comply with local, state and federal laws.

Eligible Activities

Grants may be awarded to small businesses in order to mitigate financial hardships created from the pandemic such as restricted operations and/or to implement safer operating procedures or operations in order to respond, prevent or mitigate the COVID-19 public health emergency. Funds can also be used to drive economic recovery as in responding to the Coronavirus recession and, for example, retooling the small business to address new market niches.

Examples include, but are not limited to:

- Overhead expenses.
- Rent and utilities.
- Business services to increases capacity to carryout business activities including marketing and promotions.
- Payroll expenses including hiring bonuses (within limits).
- Business inventory and supplies including Personal Protective Equipment (PPE).
- Day-to-day expenses including maintenance, capital or equipment purchases for business operations.

Ineligible Activities

- Expenses related to COVID-19 incurred prior to March 17, 2020.
- Personal expenses or personal property.
- Repayment or refinance of existing debt or to pay operating deficits tax arrearages, governmental fines or penalties or government expenses.
- Personal income or emergency situations.
- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570.

Equal Opportunity Policy

The City of Alhambra shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin, marital status, ancestry, or physical handicap in accepting applications and processing program application.

Applications

The Alhambra Small Business Assistance Grant (SBAG) Program application includes information about the small business, the number of employees in the business, location of the business, amount of time in business, and financial documentation indicating the negative impact due to COVID-19. The application and Grant Agreement will require the following attestations:

- Certification that the grant spending records will be available for audit when requested.
- The business agrees to maintain all records pertaining to the grant for at least five years.

Grants will be awarded to businesses who have submitted all documentation that conforms to the program guidelines. The number of grants will be limited to the amount of funding allocated to the program.

The applicant understands this grant is meant to offset costs incurred as a result of COVID-19, post March 17, 2020. No grants shall be advanced to applicants for future COVID-related spending.

The applicant further understands grantees may be contacted by the Alhambra Chamber of Commerce to convey additional resources, if appropriate.

CDBG-CV Program Requirements

Low- and Moderate-Income Benefit

Under federal regulations, use of CDBG-CV funded activities must meet the national objective of benefit to low- and moderate (low-mod) income benefit. Small businesses with 25 or fewer full time employees including the business owner and microenterprises with 5 or fewer full time employees including the business owner may meet this low-mod requirement through serving a low-mod area or be a low-mod owner. All businesses must provide documentation meeting HUD's low-mod income requirements prior to receiving the business

- Low- and Moderate-Income Area (LMA). The business is located in a HUD-defined low- and moderate-income area and provides a service to the area (refer to **LMA MAP**). Applicant will be required to complete the **LOW- MOD INCOME AREA**

CERTIFICATION FORM. The business meets LMA if the services activity is primarily residential, where at least 51% of the residents are LMI persons, and the business’ services meet the needs of the service area residents.

- Low- and Moderate-Income Clientele (LMC). The business owner’s current household income is at or below 80% of the Los Angeles median income, adjust for household size business (refer to INCOME CHART). Applicant will be required to complete the **BUSINESS OWNER CERTIFICATION OF ANNUAL HOUSEHOLD INCOME FORM.** Business owner and all persons in the business owner(s) household 18 years of age and older must submit 2020 or 2021 personal tax returns (all pages); income documentation for all sources of income such as recent paystubs, EDD letter showing weekly benefit amount, social security benefits award, pension statement, etc;

Low- and Moderate-Income Limits

The business qualifying under the Low- and Moderate-Income category must provide documentation meeting HUD’s low/mod income requirements prior to receiving a business assistance grant. City staff will verify that the business, business owner household, as applicable, meet one of HUD’s low/mod income requirements listed under the CDBG-CV Program Requirements.

Low- and moderate-income households for the purpose of this program must have a gross annual household income at or below those shown in the table below, as adjusted for household size.

2021 HUD Low- and Moderate-Income (LMI) Limits

Household Size	Maximum Income	Household Size	Maximum Income
1	\$66,250	5	\$102,200
2	\$75,700	6	\$109,750
3	\$85,150	7	\$117,350
4	\$94,600	8	\$124,900

Source: U.S. Department of Housing and Urban Development Income Limits for Los Angeles County, June 2021

Conflict of Interest

Applicants for business assistance shall not be an employee, agent, consultant, officer or elected official or appointed official of the City who exercises or have exercised any function or responsibilities with respect to activities relating to this program or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from this program, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

APPLICATION PROCESSING

Business may apply by downloading an application from the City’s website at www.cityofalhambra.org. Applicants may also contact the Management Services Department at 626.570.5011 during regular business hours to request an application.

Applications must be submitted, hard copy, to the Management Services Department. Incomplete applications and/or those without the supporting documentation will not be processed. All personal and business financial information will be kept confidential; however, business participation in this program may be made available to the public. Program participant files will be kept with the City.

If the number of eligible applications received exceed the number of applications that can be awarded, a lottery shall be conducted to determine the businesses that can move forward to the grant application review process.

Approval and Grant Disbursement

When applicants submit a complete set of required documentation, it will be reviewed and verified. Business will be required to sign a Grant Agreement acknowledging and agreeing to comply with the grant terms; funds will then be disbursed to the approved individual business. The City will award grant funds in a single disbursement.

Post Grant Follow Up

If awarded a grant, the business shall agree to be available for federally required monitoring. The City may ask business to submit documents that support evidence of how grant funds were applied or request reports on the impact grant funds to the business. Grants can be audited by the Department of Housing and Urban Development.

By acceptance of the grant, the business agrees to keep all documentation related to this program for a period of five years and to comply with information request.

Complaints

Complaints concerning the Alhambra Small Business Assistance Grant Program or denials should be made to the City of Alhambra, Management Services Department.

Contact Information

For additional information regarding the Small Business Assistance Grant Program, please contact the Management Services Department at 626.570.5011.