



# HEMET CARES

**BUSINESS SUPPORT GRANT PROGRAM ROUND V**



*Receive*

**\$10,000**

## **About the Program**

In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, the City of Hemet has established the Business Support Grant Program, as part of the Hemet CARES Initiative (Coronavirus Aid, Relief and Economic and Security Act). In order to promote their continued success, the City is utilizing the U.S. Department of Housing and Urban Development's Community Development Block Grant - Coronavirus (CDBG-CV) funding to establish a \$360,000 grant program. Funding will be awarded to 36 business applicants in an effort to assist local Hemet businesses and provide working capital grants to retain jobs, keep businesses open, and maintain their lease payments.



## **Contact us for more info!**

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<https://www.hemetca.gov/hemetcares>

## **Application Period**

Applications are accepted on a rolling basis.

## Structure

The Hemet CARES Business Support Grant will be made available for \$10,000 to each of the 36 chosen businesses with 15 or fewer employees. The grant will cover costs incurred between July 1, 2020 and June 30, 2021. All funds will be offered through a needs-based ranking process, and applications are being accepted on a rolling basis.

## Eligibility

In order to apply, all conditions must be satisfied. These conditions do not guarantee qualification and approval for funding:

- Owner is 18 years or older
- The business has a bank account
- The business has been established for at least at one year minimum since January 2020
- The owner has a valid employer identification number (EIN)
- The business has an existing City of Hemet Business License and is in good standing
- The business is located in the City of Hemet
- The business has 15 or fewer employees (sole proprietors are permitted to apply)
- The business is registered with Dun & Bradstreet (DUNS), or SAM.gov, or will have applied by the time the funding is granted ([dnb.com/duns-number.html](http://dnb.com/duns-number.html) and [sam.gov](http://sam.gov))
- The business must not be listed on the Federal Debarred list (SAMS Search)
- The business must prove their negative impacts experienced by COVID-19
- Must have impact to low-income individuals residing in the City of Hemet
- The business is current with all local, state and federal taxes, fees, and any other debt payments to the City of Hemet
- No person who is subject to the provision of the City's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business
- After dispersal of grant funds, there will be a monitoring period established in the grant agreement outlining when the business documents that jobs were created or retained and low-income individuals benefitted as a result of the grant program
- Applications must be submitted to the City of Hemet via email to [HemetCares@hemetca.gov](mailto:HemetCares@hemetca.gov) . The subject should read "Hemet CARES Business Support Grant Program - [Business Name]"

## Ineligible Costs

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds under this grant program may not be used to:

- Pay business debt
- Pay taxes and fines
- Reimburse expenses incurred prior to 2020
- Purchase personal items or for personal expenses
- Direct financing to political activities
- Direct financing to religious activities
- Direct financing to purchase alcohol
- Conduct construction-related or maintenance work
- Activities associated with the relocation of a person or a business
- Expansions of businesses that result in a significant loss of jobs in the labor market area from which the relocation occurs

## Ineligible Applicants

Businesses that are not eligible for this grant include:

- Home-based businesses
- Nonprofit organizations
- Government organizations
- Passive real estate investments
- Businesses located outside the City of Hemet
- Businesses that limit patrons to 18 and older



## Required Documents

- A completed City of Hemet CARES Business Support Grant Application
- Current City of Hemet business license
- Driver's license official Identification/ state identification
- A completed W-9 Form
- Business AND personal tax returns (all pages)
  - Businesses established before January 2020, please submit 2019 and 2020 taxes
  - Businesses established since January 2020, please submit 2020 and 2021 taxes
- Monthly AND annual profit and loss (PL) statements
  - Businesses established before January 2020, submit 2019 and 2020 PL statements
  - Businesses established since January 2020, submit 2020 and 2021 PL statements

- Employee self-certification form(s) of household income for qualifying employee(s) as low/moderate income
- Business owner self-certification form of household income for qualifying as a low/moderate business owner
- Payroll list
- Bank statement to prove existence of business banking account
- Copy of lease/grant deed demonstrating proof of commercial/industrial business address
  - If lease, documents must show the name of lessee and lease term
  - For grant deed, documentation must show the name of the property owner
- Other documentation supporting economic impact that has resulted from COVID-19 (details of economic impact, i.e., revenue loss, reduction in employee hours, layoffs, furloughs, modified business hours, etc.)

## Duplication of Benefits

Businesses may not receive federally subsidized disaster assistance that duplicates any part of their disaster loss covered by insurance or another source, such as the Small Business Administration (SBA) or the Federal Emergency Management Agency (FEMA). Applicants for City of Hemet grant funds under the Business Support Grant Program must disclose any funds applied for or received from these sources or other federal assistance programs. It is in the City's sole discretion to determine if funds received from any of these sources constitutes a duplication of benefits. If a duplication of benefits determination is made after City of Hemet funds have been disbursed, the amount of funds that were determined to be duplicative must be repaid to the City. In addition, the City of Hemet will modify these guidelines, as appropriate based on release of HUD guidance.

## Selection Process: Needs-Based

At the close of the application period, the City will review all applications based on the financial needs of the businesses applying and rank each business from most financially-impacted to least financially-impacted by the COVID-19 pandemic per the provided financial documents. The City will choose 36 businesses out of the applications received and will notify businesses via email if they have been selected for the grant.

The City may reach out to the business for additional financial information to better assess the applicant's financial needs.

If a business is not selected for the grant, the City will notify the business via email.

## Ranking

Applications will be ranked based upon five criteria:

1. Percentage of net income loss/gain
2. Age of business
3. Current number of employees (including independent that work in establishment full-time)
4. Anticipated unmet financial need
5. Location is within Hemet City boundary lines

Qualified applicants will receive a score of 50 points or higher, and will be reviewed by the Ad Hoc Committee followed by full council approval.

## Application Review

The City will conduct a thorough eligibility review of each application and may request additional supporting documentation from the business to confirm program eligibility. Submitting all required documentation will not guarantee qualification for funding.

Please review above the "Required Documents" section of this packet to ensure your application is complete.

This review will confirm the following:

- The business and requested funds are eligible
- The business was adversely impacted by COVID-19
- Business will retain or create jobs, especially for low- and moderate-income individuals, as a result of this grant
- The business or impacted individuals did not receive duplicative benefits from other Federal, State, local, or private resources
- The application complies with the City's CDBG policies and procedures and these guidelines
- Any determination that deliberate misrepresentation (or fraud) has occurred will result in the disqualification of the applicant and/or the cancellation of a grant at any point from the award to closeout.

**If, during the review, an application is deemed incomplete or lacking adequate detail, it will be disqualified and ineligible for funding.**

## **Grant Administration and Period**

Upon successful completion of the application review, the applicant will enter into a grant agreement with the City. The agreement will require original signatures from those authorized to enter into and sign agreements. On behalf of the applicant, upon execution of the grant agreement, the funds will be distributed to the business owner via check.

After funds have been dispersed to grantees, the business owner must submit evidence to the City that the grant funds have been spent in the manner and for the purposes stated in the application. Evidence may include receipts for cleaning supplies and PPE, documents such as payroll, canceled checks for lease payments, mortgage statements, etc. All documented use of these funds must be notated on page 7 of the Application.

Evidence provided must be to the satisfaction of the City. If there is evidence that the grant funds have not been spent on eligible uses as outlined in these guidelines or the grant funds have not been used within the six-month period, the applicant shall be required to re-pay a portion of or all of the grant funds to the City.

The Grant Period spans between July 1, 2020 through June 30, 2021 in the fiscal year of 2020-2021.

## **HUD Requirement: Job Creation / Retention**

The goal of the Business Support Grant Program, as structured by the federal guidelines in the Community Development Block Grant Program (CDBG), is to assist business owners in operations during the global pandemic, as well as to create economic opportunities by creating or retaining jobs held by low or moderate-income individuals within the City of Hemet. As part of the application, all businesses must estimate the number of jobs that will be created or retained as a result of the Business Support Grant Program. Grant agreements will include estimates of the number of jobs expected to be created or retained for each business.

During the grant agreement period, businesses will be required to report on all jobs created or retained as a result of this program. Recipients of this grant must be able demonstrate that they have created or retained at least one job and 51% of jobs created or retained by each business must be held or be made available to low- and moderate-income individuals.

## Job Creation

For newly created jobs held by (a) low- or moderate-income individual(s), the following information must be documented:

- Listing by job title of the jobs created
- Listing by job title of the jobs filled
- The name and income status of the person who filled each position
- The full-time equivalency status of the jobs

For created jobs that will be made available to low- or moderate-income individuals but are not taken by low-moderate income individuals:

- The title and description of the jobs made available
- The full-time equivalency status of the job
- The prerequisites for the job; special skills or education required for the job, if any; the business commitment to provide needed training for such jobs
- A business can demonstrate that first consideration was given to low- or moderate income persons for the job by keeping a record of the name(s) of person(s) interviewed for the job, the date of the interview(s), and the income status of the person(s) interviewed

Created jobs can only be considered to be made available to low or moderate-income individuals when:

- Special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite for the job (or the business agrees to hire unqualified persons and provide training at the onset of the job search), and
- The business takes actions to ensure that low- or moderate-income individuals receive first consideration for filling such jobs

# Job Creation Documentation

Businesses must be able to demonstrate that the created or retained job is held by a low- or moderate-income (LMI) individual OR the position is expected to turn over within the next two years and the business will take steps to ensure that the position is filled by or made available to a low- or moderate- income individual.

Documentation for individual job creation/retention may come in the form of the below example:

- A written self-certification by the employee(s) and/or business owner of his/her family size and total income that is signed and dated and subject to Federal review. Certification can either include actual size and income of family or can contain a statement that the annual family income is below the low-income limit for the applicable family size.

Low and Moderate Income limits, as determined by HUD and Section 8, can be found in the following table:

County	Income Category*	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Riverside	Extremely Low 30%	\$15,850	\$18,100	\$20,350	\$22,600	\$24,450	\$26,250	\$28,050	\$29,850
	Low 50%	\$26,400	\$30,150	\$33,900	\$37,650	\$40,700	\$43,700	\$46,700	\$49,700
	60% Limit	\$31,680	\$36,180	\$40,680	\$45,180	\$48,840	\$52,440	\$56,040	\$59,640
	Moderate 80%	\$42,200	\$48,200	\$54,250	\$60,250	\$65,100	\$69,900	\$74,750	\$79,550

## Reporting and Record Keeping

Because this grant is funded with CDBG funds, businesses that receive grants are required to submit documentation to the City of Hemet documenting program compliance and job creation/retention as follows:

- Job creation/retention documents and other supporting documentation
  - e.g. Updated payroll showing current employee list
- Grant funds expense documentation (receipts, paid bill statements, bank statements, etc..)

The City reserves the right to audit the applicant's records for compliance with terms in the agreement, and monitor the business to ensure program compliance with all federal and city program parameters.

The City of Hemet and Businesses shall retain their signed grant agreements, documents pertinent to expenditures that have incurred under the grant agreement, and all documents associated with this program for a period of five (5) years after the termination of all activities funded under the Agreement. Documents may be disposed of after June 30, 2027.

## Program Marketing and Outreach

Program marketing will be conducted by the City and, in compliance with Federal guidelines, will affirmatively target Hemet businesses who employ low to moderate income residents. Examples of marketing include a press release to media outlets, social media coverage through various channels (Facebook, Twitter, Instagram, YouTube, etc.) and distribution of marketing materials to the Chamber of Commerce and business networking organizations.

The City will distribute the information to the Citizen Participation Plan stakeholder list as well as make personal contacts with small businesses registered with the City of Hemet.

## **Program Administration**

The City of Hemet, in coordination will oversee the Hemet CARES Business Support Grant Program. The responsibilities of the City include:

- Originate grant funds
- Market the grant program
- Accept and process applications
- Rank eligible businesses and notify selected businesses
- Review and underwrite grant requests
- Ensure timely disbursement of funds
- Maintain documents and fiscal records
- Administer grants and locally sourced funds used for this program
- Comply with program guidelines as they relate to the funding sources
- Report program metrics to City Council, HUD and other interested parties.

## **Applicant Confidentiality**

All personal and business financial information will be kept confidential to the extent permitted by law. Grant participant files with personal and business confidential information will be kept in locked, secured cabinets.

## **Conflict of Interest**

In accordance with 24 CFR 570.611, no member of the governing body and no official, employee or agent of the local government, nor any other person, either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision making responsibilities (including members of the CDBG/grant review committee or contractors) in connection with the planning and implementation of the CDBG program, shall directly or indirectly be eligible for this program.

## **Equal Opportunity Compliance & Non-Discrimination**

Hemet Cares Business Support Grant Program will be implemented in ways consistent with the City's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG program funds on the basis of his or her disability, family status, national origin, race, color, religion, sex, marital status, medical condition, ancestry, source of income, age, sexual orientation, gender identity, gender expression, genetic information, or other arbitrary discrimination.

## **Environmental Compliance**

The City of Hemet will be responsible for completing and filing the appropriate environmental review documentation. NEPA regulations require an Environmental Review Record (ERR) to be submitted for each project/business funded with CDBG monies prior to award or approval of funds. The ERR level of review is based on the type of project proposed. Compliance with any other federal, state, county, or local environmental regulations, such as the California Environmental Quality Act (CEQA), may also be required and will be based upon a review of the entire proposed activity.

## **Program Guideline Changes & Modifications**

Minor changes to this Grant Program involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be performed with the approval of the City Manager. Federal regulatory requirements for the program are not subject to modification or revision.

## **Additional Information**

Hemet businesses that are interested in the program, can review the application form and review more information on the City of Hemet's website: <http://www.hemetca.gov/hemetcares>

Scan and email your application and required documentation in PDF format to the following email: [HemetCares@hemetca.gov](mailto:HemetCares@hemetca.gov)

In addition to the City of Hemet CARES Business Support Grant Program, there are loan and grant programs available to Hemet businesses through the County of Riverside, which can be reviewed at: <https://rivcobcs.org/small-business-assistance>

For assistance in completing the application, please contact:

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