

ATTACHMENT 2



City of Lake Forest
COVID-19 Related
Small-Business COVID-19 Relief
Grant Program

PROGRAM GUIDELINES

Program Overview

The City of Lake Forest's Small-Business COVID-19 Relief Grant Program, will provide pandemic-relief grant funding to small businesses impacted by COVID-19 in the form of a reimbursement. The program is subject to the availability of funds, compliance with program guidelines and submission of the required application and supporting documentation.

The granting and use of CDBG-CV program funds are limited to necessary and reasonable business expenses incurred to prevent, prepare for, or respond to the COVID-19 pandemic. Furthermore, measures will be implemented to prevent the duplication of benefits resulting from a business receiving financial assistance from multiple sources for the same purpose.

Eligible Uses and Grant Limit:

Small businesses with 50 or fewer employees may be eligible to receive up to **\$5,000** to prepare, prevent, or respond to COVID-19, by any of the following means:

1. **Utility Payments**: Reimbursement for gas, electricity, and/or water business expenses. An eligible business will need to show proof of payment of its utility bill(s).

AND/OR

2. **Personal Protective Equipment ("PPE")**: Reimbursement of the cost of purchasing PPE to comply with State and/or County guidelines to protect staff and members of the public. PPE may include, but is not limited to, masks, gloves, hand sanitizer, floor marking, and physical barriers.

AND/OR

3. **RENT**: Reimbursement for place-of-business rent payment corresponding to a period when the business was subject to a complete or partial closure mandate.

Program assistance is not available if a business has received, or will receive, financial assistance for the same cost element from any other funding sources, including insurance, and the total assistance received exceeds the total needed.

Applicant Eligibility:

To be eligible to apply for the Small-Business COVID-19 Relief Grant Program, a business must meet criteria established by the City of Lake Forest and specified herein, and applicable HUD/ Community Development Block Grant ("CDBG") requirements.

At least one Full-time Equivalent (FTE) job must be retained or created with the assistance of the City's grant funding. A FTE position is defined as 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners. Additionally, 51% of all full-time jobs retained or created must be filled by low or moderate-income employees (as defined by HUD) and must be continuously filled for no less than 60 days from the date of grant approval by low and moderate-income employees.

Business must have been affected by COVID-19

The applicant must demonstrate the business has been affected by COVID-19 in one or more of the following ways:

1. The business was deemed non-essential and ordered to shut down by the State of California or the County of Orange.
2. Sales from the business are down more than 25% compared to the previous three months (prior to February 15, 2020).
3. The business laid off at least one of its employees (full or part time).
4. One or more employees of the business contracted COVID-19.

and

General Terms and Conditions

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

- The business must be physically located in Lake Forest;
- The business must be located in a commercial or industrial building (home-based businesses are not eligible);
- The business must have 50 or fewer employees, including the owner;
- The business must submit a complete application, and all required supporting documentation;
- The business must be a permitted use in the City pursuant to the City's zoning ordinance;
- All alternative sources of funds received, awarded, or applied for from any other COVID-19 pandemic relief fund, and including insurance, must be identified and may not be used for the same purpose(s) as this grant.

Funding Availability

Source of funds for the program are the Federal Community Development Block Grant ("CDBG") and Coronavirus Aid, Relief, and Economic Security ("CARES") Act CDBG-CV. Overall, the Lake Forest City Council has authorized \$102,385 of CDBG-CV funds and \$100,000 of FY 2020-2021 CDBG funds, totaling \$202,385, for economic development support in response to the COVID-19 pandemic. Up to \$117,385 in CDBG and CDBG-CV funding is allocated for the Small Business COVID-19 Relief Program.

As a disbursing agent for these funds, the City shall be responsible for providing the administrative services for the Small-Business COVID-19 Relief Grant Program activities. As such, the City's Program Partner, the Orange County/Inland Empire Small Business Development Center ("SBDC"), shall be responsible for program marketing and application processing. The City is obligated to fulfill the terms and conditions of the funds as established by the City Council, these Program Guidelines, and Federal, State, and local rules and regulations.

Applications

The Small Business COVID-19 Relief Grant Program application requires information about the small business, the number of employees in the business, location of the business, amount of time in business, how funds will be used to prevent, prepare for or respond to COVID-19, and other relevant information. Applications will be available on the SBDC website, which will be linked on the City of Lake Forest's website. A paper application may be completed if necessary.

Application Period

Grant applications will be accepted from **September X, 2020** through a date to be determined, depending on the number of applications received.

Application/Documentation Requirements

The following documents must be submitted for consideration of a grant request:

- Complete grant application;
- 2019 business Profit and Loss Statement;
- Interim 2020 Profit and Loss Statement;
- Documentation supporting economic impact resulting from COVID-19 (details of economic impact, i.e., revenue loss, reduction in employee hours, layoffs, furloughs, modified business hours, etc.).
- Proof of payment to utility in the form of (for example) a billing statement and cancelled check for businesses seeking utility reimbursement; and/or proof of purchase for PPE in the form of receipt(s) for PPE reimbursement; and/or proof of payment of rent.
- Complete **EMPLOYEE INFORMATION & CERTIFICATION** form with most current payroll register including employees identified as retained.

Grant Review and Approval Process

- **Application:** The business applicant may apply for the grant program by submitting a completed application and all required supporting documents to SBDC via the application portal on website at **[REDACTED]**
- **Review:** The application and documents will be reviewed by SBDC to determine application completeness. If SBDC determines that additional information or supporting documents are needed to review an application the application will be deemed complete and the applicant will be notified.
- **Verification and Eligibility Determination:** SBDC shall verify all application and information as necessary and forward qualified applications to the City to verify business location.
- **Grant Disbursement:** 100% of the eligible grant funds will be disbursed as described herein contingent on a sufficient number of qualified grant applicants. Grants funds will be awarded in two parts with 50% of the grant awarded as soon as possible after

approval of the grant, and 50% awarded approximately 80 days thereafter. To receive the second half of the grant, the business must demonstrate it satisfied the CDBG requirements related to job creation or retention. The business may satisfy this requirement through a self-certification process (a one-page form that documents the job created or retained). City will issue final check after this verification process.

Expectation of Number of Applicants

If the City of Lake Forest's Small-Business COVID-19 Relief Grant Program receives more applications than grants that can be awarded, the City will use a random selection process to award grants to eligible small businesses; otherwise grants will be awarded to qualified applicants on a first come, first-served basis.

Notice of Grant Award

Each applicant shall be notified in writing whether their application was approved for a grant award or denied.

Equal Opportunity Policy

The City of Lake Forest 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.

Contact Information

For questions or additional information regarding the Small-Business COVID-19 Relief Grant Program, please contact the following:

City of Lake Forest

Community Development Department
c/o Ron Santos – Senior Planner
100 Civic Center Drive
Lake Forest, CA 92630
(949) 461-3449

For assistance in completing the Small Business COVID-19 Relief Grant or to set up a one-on-one consultation (at no cost), please contact the SBDC at:

Mike Daniel – Regional Director

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