



**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CORONAVIRUS FUNDS (CDBG-CV)
BUSINESS GRANT PROGRAM**

PROGRAM GUIDELINES

The City of Chino Hills has \$5,000 to \$10,000 grants available for businesses that meet the eligibility requirements.

Business can qualify either by (1) being a low-income business owner (Microenterprise Grant Program) or (2) pledging to retain at least one full-time low-income employee for a period of at least two years (Small Business Grant Program).

APPLICATION PROCESS

Applicants will be required to complete an initial application. If initial eligibility is determined, you will be contacted to submit supporting documentation. Once a selected business is deemed eligible, the City will send an agreement to the business. The business is required to provide two original copies of the agreement, with wet signatures to the City.

Funding will be awarded on a first-come, first served basis, based on completeness of application package. This includes submittal of verification documents.

ELIGIBILITY REQUIREMENTS

1. Business must be physically located within the city limits of the City of Chino Hills.
2. Business must have a current business license from the City of Chino Hills.
3. Business must be in good standing with the City of Chino Hills (i.e. no open code violations).
4. Business must employ less than 35 employees, including the owner(s).
5. Business must have been in business as of January 1, 2020. The City may consider exceptions on a case-by-case basis if all other requirements are met.
6. Business must currently employ and retain at least one low- and moderate-income (LMI) person. In the case of staff turnover, the identified position must be filled by LMI person **and** demonstrate that without grant assistance the job would be lost.
7. Business must be able to demonstrate an economic loss in connection with the COVID-19 pandemic; at least a 25% decrease in sales for the same period in the preceding calendar year.
8. Have valid and current federal and state tax ID numbers
9. Business or owner must obtain a Data Universal Numbering System (DUNS) number. This is not needed to submit an application but will be required by the time funding is granted. A DUNS number can be obtained at this website <https://www.dnb.com/duns-number/get-a-duns.html>
10. Business and owner must not be listed on the Federal Debarred Lit (SAMS Search)
11. Businesses with more than one physical location may apply for the grant program for one location only.
12. Business is not currently in bankruptcy, and had not declared bankruptcy within the last 7 years.
13. Business is current with property taxes, City fees, business license, and to the applicable local, county, state fees, and requirements.
14. Have valid and up to date applicable business insurances.

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15. No person who is subject to the provisions 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
16. Applicant must agree to the terms and conditions of the grant through a written agreement. The agreement must be signed by an individual who has signatory authority on behalf of the business.

BUSINESSES NOT ELIGIBLE

The following businesses are **NOT** eligible for funding:

- Non-profits
- Gun Shops
- New/startup businesses
- Passive real estate investment offices
- Liquor or tobacco stores
- Businesses engaged in any illegal activity per local, state, or federal regulations with federal regulations taking precedence over local or state regulations

ELIGIBLE USE OF GRANT FUNDS:

Microenterprise Grants Funds can be used for working capital (i.e. rent, payroll, utilities, inventory, etc.).

Small Business Grant Funds are restricted to be used for lease/mortgage payments or payroll costs.

INELIGIBLE USE OF FUNDS

Funds may NOT be used for the following activities:

- Pay non-business debt
- Purchase personal items or for personal expenses
- Conduct construction-related work
- Activities associated with the relocation of a person or a business
- Vehicle purchase
- Personal property or equipment
- Repayment or refinance of existing debt or to pay operating deficits, taxes in arrears, governmental fines or penalties or general government expenses.
- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570

GRANT REQUIREMENT: MEETING A NATIONAL OBJECTIVE

All CDBG-funded activities must meet one of the CDBG program national objectives. The national objective for this program is to retain jobs for low-and-moderate-income (LMI) persons. To be eligible for this grant the business must meet the Low Mod Job Retention (LMJ) objective which includes activities designed to retain permanent jobs, at least 51% of which (computed on a full-time equivalent bases) will be held by LMI persons. Applicant must provide documentation showing the jobs are held by LMI persons **OR** steps will be taken to ensure that jobs will be made available to LMI person during expected turn over within the following two years.

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ONGOING MONITORING

If awarded the grant, the business agrees to participate in ongoing federally required monitoring. The City may ask businesses to periodically submit documents that support the use of grant funds and report on the impact grant funds have had on their businesses. Requested documents may include purchase receipts, employee payroll, lease agreement and receipts, etc.

SUPPORTING DOCUMENTATION

After preliminary review of eligibility, the Applicant will be required to submit the following documentation:

- State Identification Card or Driver's License
- Lease agreement or rental agreement (for reimbursement of rent expense)
- Quarterly Contribution Return and Report of Wages Form DE 9C
- Form W9 Request for Taxpayer Identification Number
- Financial statements for the most recent six months
- Self-certification forms from all employed staff to determine household income
- 2019 Business Tax Returns
- 2019 Profit & Loss Statement
- 2019 Balance Sheet
- Current Business Bank Statement

The City reserves the right to request additional information upon receiving the application.

SELECTION PROCESS

Funding will be awarded on a first come, first served basis.

APPLICATION REVIEW

The City will conduct a thorough eligibility review of the application and request additional, supporting documentation from the business to confirm program eligibility. The review will confirm the following:

- The business and requested funds are eligible
- The business was adversely impacted by COVID-19
- The business will retain or create jobs, especially for low- and moderate-income individuals, as a result of this grant.
- The business did not receive duplicative benefits from other Federal, State, local, or private resources

If during this review an application is deemed incomplete or lacking adequate detail, the City will provide up to one week for the business to complete the application and provide the necessary documentation before deeming the business ineligible. Any determination that deliberate misrepresentation (or fraud) has occurred will result in the disqualification of the applicant and/or the rescission of a grant at any point from the award to closeout.

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GRANT ADMINISTRATION

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

Within six months, 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 documents like payroll, cancelled checks for lease payments, mortgage statements, etc. 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 that the grant funds have not been paid within the six-month period, the applicant shall be required to repay a portion of or all of the grant funds to the City.

JOB RETENTION/CREATION

The goal of the Small Business Grant is to assist owners in operations during the global pandemic, as well as to create economic opportunities by creating and retaining jobs held by low- or moderate-income individuals within the City of Chino Hills. Job retention is defined as total full-time equivalent position retained at 30 hours per week, or any combination of part-time position combining for 30 hours per week, including owners.

As part of the application, all businesses must estimate the number of jobs that will be created or retained as a result of the Small Business Grant. Grant agreements will include an estimate 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 to demonstrate that they have retained, rehired, or created at least one job.

In order to meet this requirement, 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.

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

Household Size	1	2	3	4	5	6	7	8
Gross Annual Income	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450

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Job Retention

The business must be able to provide specific evidence that the job(s) would be lost without the Small Business Grant Program assistance. If the retained job is held by a low- or moderate-income individual, the following information must be documented:

- A listing by job title of permanent jobs retained
- The jobs that are known to be held by LMI persons at the time of assistance
- The full-time equivalency status of each job

For retained jobs that are projected to turn over to low- or moderate-income individuals:

- A listing of the retained jobs that are projected to become available within two years of assistance
- The basis of the determination that the job is likely to turnover with two years of assistance
- The actual turnover date
- The name and income status of the person who filled the vacancy
- If the person who took the job was not a low- or moderate-income person, records to demonstrate that the job was made available to low- or moderate-income persons
 1. The name of person interviewed for the job and the date of the interview
 2. The income status of the person interviewed

Retained jobs that are expected to turn over and be made available to low- or moderate-income individuals can only be considered to be made available 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 received first consideration for filling such jobs.

Job Creation

If the created job is held by a low- or moderate-income individual, the following information must be documented:

- Listing by job title of the jobs created
- Listing 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- or 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; and the business commitment to provide needed training for such jobs

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- 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 the low- or moderate-income individuals receive first consideration for filling such jobs.

JOB CREATION/RETENTION DOCUMENTATION

Documentation for low- or moderate-income individual job retention may come from the following sources:

- A written self-certification by the employee or applicant 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.
- Referrals from an agency that has agreed to refer individuals who are determined to be low- or moderate-income based on HUD's income limits. These agencies must maintain records, which must be available to the State or Federal inspection, showing the basis upon which they determined that the person was low- or moderate-income. The City of Chino Hills will work with business owners to identify and collaborate with such organizations.
- Qualification of employee or application for assistance under another program with income qualification that are restrictive as those used by the CDBG program. Examples include referrals public housing, welfare agency, or other such program.
- Evidence that the individual is homeless.
- Evidence that the individual may be presumed to be a low- or moderate-income individual by way of residence address and the corresponding poverty rates of the applicable census tract.

REPORTING AND RECORDKEEPING

This grant is funded by CDBG-CV funds. Therefore, businesses that receive grants are required to provide periodic reports and submit documentation to the City of Chino Hills documentation program compliance and job creation/retention as follows:

- Job creation/retention form and supporting documentation
- Program expense documentation
- EDD DE 9, DE 9C, and DE 34 reports, and the quarterly summary report must be submitted to the City quarterly during the term of the grant agreement.

The grant recipient will be required to provide the City with verification of citizenship or legal permanent resident alien status for all new hires resulting from the investment of CDBG-CV funds, during the term identified in the grant agreement.

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The City reserves the right to audit the application's record for compliance with terms in the agreement and monitor the business to ensure program compliance.

DUPLICATION OF BENEFITS

All participating businesses must comply with the U.S. Department of Housing and Urban Development's forthcoming guidance regarding Duplication of Benefits, as required by the CARES Act and HUD guidance.

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.

EQUAL OPPORTUNITY COMPLIANCE AND NONDISCRIMINATION

The Small Business 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.

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 may either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision making responsibilities in connection with the planning and implementation of the CDBG program, shall directly or indirectly be eligible for this program.

PROGRAM GUIDELINE CHANGES AND MODIFICATIONS

Minor changes to these guidelines involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be performed with the approval of the Community Services Director. Federal regulatory requirements for the CDBG program are not subject to modification or revision.

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HOW TO APPLY

Applicants must complete the Preliminary Eligibility Application for a determination of eligibility. The Application is available on the City of Chino Hills' website at www.chinohills.org/BusinessGrant and can be submitted in the following ways:

- Email to communityservices@chinohills.org with Business Grant Program in the subject line
- Mail to City of Chino Hills, Community Services Department, Business Grant Program, 14000 City Center Dr., Chino Hills, CA 91709
- Submit in person to the Community Services counter located on the second floor of City Hall, 14000 City Center Dr., Chino Hills, during normal business hours of Monday – Thursday, 7:30 a.m. to 5:00 p.m. or Friday 7:30 a.m. to 4:00 p.m.

If applicant needs assistance completing the application, they may call (909) 364-2717 to set up an appointment.

If initial eligibility is determined, applicant will be contacted to verify eligibility (i.e. submit verification documents). Funding will be awarded on a first come first served basis, based on completeness of application package. This includes submittal of verification documents.