

TEMPLE CITY COVID-19 SMALL BUSINESS ASSISTANCE PROGRAM GUIDELINES

The City of Temple City's Small Business Assistance Program offers a one-time grant up to \$10,000 to eligible businesses to help them create jobs, retain jobs, and offer quality services to the residents of Temple City. Grant funds may be used for overhead expenses, rent, utilities, and necessary equipment to continue business operations, among others. Businesses are not expected to pay back grants unless they fall out of compliance.

The program is funded through a grant from the U.S. Department of Housing and Urban Development as eligible under Sections 105(a)17 of the Housing and Community Development Act of 1974. The City of Temple City's Employer Assistance Grant Fund meets the following national objectives, depending on the business' eligibility:

- Benefiting persons of low to moderate income; or
- Job creation and retention

Eligibility Requirements

To be considered for this program,

Businesses must:

- Be physically located within Temple City's city limits
- Have no more than 25 employees, including the owner / operator (sole-proprietors, for the purpose of this program, are considered to have 1 employee)
- Employ and retain at least 1 individual that does not exceed the program income limit. Alternatively, the owner may be within the program income limit
- Have an active business license issued by Temple City
- Have been negatively impacted by the COVID-19 pandemic. Negative impacts include circumstances such as forced closure, at least a 25 percent loss of income, inability to meet social distancing requirements, required to provide personal protective equipment (PPE) for staff.
- Provide all documentation requested by the city to facilitate the application process
- Have been in "good standing" prior to the COVID-19 pandemic outbreak, no outstanding fees owed to the city, unpaid taxes, unpaid citations, or unresolved code violation issues
- Be located in one of the following areas: Crossroads Specific Plan; Mixed-Use Medium zone; Las Tunas Commercial zone; Downtown Commercial zone; Industrial zone; or within the Mixed-Use Low Zone and on Lower Azusa Road, Gidley Street, or Temple City Boulevard.
- Certify that they will remain open, or if businesses is closed or closes, to reopen in a timely manner following the lifting or easing of COVID-19 restrictions, or shall be subject to repayment of grant.

- Have or register for a DUNS Number

Ineligible Businesses:

- Business that do not currently employ LMI Persons OR that are in a census tract, block group that does not service LMI persons
- Extensions of a national chain (e.g. Taco Bell, Wal-Mart, Vons, Walgreens...etc)
- Home-based businesses
- Non-profit organizations
- Casinos, liquor stores, fortune tellers, hookah/smoke lounges, smoke shops, pawn shops, payday loans, check cashing services, firearm or weapons dealers, adult entertainment, passive real estate investors, bail bonds, and cannabis businesses, short term rentals, and tattoo parlors .

Disqualifying Criteria:

Any of the following events or actions may disqualify the owner of a business from consideration for grant funding:

- Poor credit history
- Bankruptcy in the last 5 years

Eligible Expenses

Businesses that are selected to receive relief aid, may only use the funds for program eligible expenses, including:

- Employee salaries or payroll
- Rent and utilities
- Service updates related to COVID-19, such as building or improving a website to allow for online sales
- COVID-19 related equipment, such as purchasing personal protective equipment (PPE), sneeze guards, and cleaning products
- Other COVID-19 related expenses will be considered on a case by case basis by the city's CDBG program administrator

Ineligible Use of Funds

Funds may not be used for the following:

- Personal property
- Repayment or refinance of existing debt or to pay operating deficits tax arrearages, governmental fines or penalties or general government expenses
- Salary for the business owner (after confirmation from LACDA sole proprietors may be exempt from this requirement)

- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570

Monitoring Process

All businesses that accept relief aid must agree to participate with ongoing grant monitoring. The city may periodically request documents that verify the appropriate use of grant funds and reports on how the grant fund impacted the business.

Staff is responsible for providing on-going monitoring to ensure that grant funds are used in the way they were intended. Staff will review the business' application to identify how the business intends to use the funds and will request supporting documents three months after funds have been awarded. If a business finds it necessary to change their intended use of the funds, they must notify the City in writing with at least five (5) days in advance. Although this list is not intended to be exhaustive, supporting documents may include:

- Lease agreement and rent receipts
- Invoices
- Payroll documents
- All collected documents will be placed in a business's program file.

How to Apply

Businesses that wish to be considered may apply for assistance by submitting a complete application, which includes, providing all required documentation by the specified deadline. Staff will review all submitted applications to determine eligibility to the program. Incomplete applications will not be considered.

The application consists of the following components:

1. Applicant Information

- a. Staff shall review that all information has been filled out
- b. Staff shall verify that the business has included a DUNS number

2. Background Information

- a. Staff shall review that all information has been filled out.

3. Financial Information

- a. Staff shall review that all information has been filled out.
- b. Staff shall verify that the business has identified how they plan to use grant funds. Staff will note how the business plans to use funds and will collect supporting documents and monitor grant expenses.

4. Assurance and Signatures

- a. Staff will verify that the applicant has signed and dated the application.

Selection Process

Applications will be categorized into the following tiers.

1. Restaurants – full service, takeout, ice cream shops, retail bakeries, and the like;
2. Ground floor retail uses;
3. Other ground floor commercial uses, other than an office, with a storefront, (such as barbers, hair salons, gyms, tutoring centers, shoe repair, locksmith, etc.);
4. All other commercial and industrial uses.

Businesses that have not received or not planning to receive COVID-19 related grant aid from other government agencies will be given priority. After all such businesses receive a grant, businesses that have received or are planning to receive other governmental aid related to COVID-19 will be considered.

A random selection will be taken of all Tier 1 applicants. If any additional funds are remaining a random selection will be taken of all Tier 2 applicants. If any additional funds are remaining a random selection will be taken from Tier 3 applicants, and so on until all funds are allocated. Back up applicants will be chosen in each tier in case the chosen applicants do not meet the requirements of the program or withdraw their application.

Awarding Process

Upon verification of eligibility, the City will confirm eligibility status with the business via email and a physical hard copy will be sent in the mail. The City will provide the business with an agreement outlining the terms and conditions of the award. Upon receipt of the signed agreement, the City will disburse the grant funds.

Default and Termination

The occurrence of any one or more of the following events will constitute an “Event of Default” under this Agreement:

- Any statement, representation, or warranty contained in this Agreement or the Application Documents submitted to the City found by the City to be false or misleading.
- Any use, by Grantee, of any portion of the Grant Funds for any purpose other than the exclusive use(s) of Grant Funds set forth in Subsection B to Section 3 of this Agreement.
- Grantee fails to abide by the Program Requirements or breaches any covenant of this Agreement.

Upon and during the continuance of an Event of Default, the City may do any of the following, individually or in combination with any other remedy:

- The City may terminate this Agreement by giving a written termination notice to Grantee, and on the date specified in such notice, this Agreement shall terminate and all rights of Grantee hereunder shall be terminated.
- The City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

ADDITIONAL INFORMATION

Income Qualifications

Definition of a Household and Income of Household Members

A **Household** is defined as all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related persons who share living arrangements.

Annual income is defined as the total gross amount of income received from all sources by adult individuals of the household who have earned or received income during a 12-month period prior to the March 27, 2020 authorization of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to address the COVID-19 pandemic. Additional information on household income is provided in TYPES OF HOUSEHOLD INCOME section below.

To determine program eligibility, all sources of annual income for each household member over the age of 18 and the exact amounts earned from each income source must be accurately documented. The primary applicant(s) are also required to certify by signature that the information provided regarding household members is correct.

Eligible households must be below the "Moderate Income" limits for confirmed household size.

Emergency Assistance for Small Businesses Household Income Limits

Number of Persons	Moderate-Income
1	\$63,100
2	\$72,100
3	\$81,100
4	\$90,100
5	\$97,350
6	\$104,550
7	\$111,750
8	\$118,950

Required Document(s) Checklist

Requires Verification	Acceptable Verification Documents
Identification	Government Issued – ID <ul style="list-style-type: none"> • Driver’s License or • Passport
Business Owner(s) – if incorporated	Articles of Incorporation <ul style="list-style-type: none"> • Verifying that specific individuals may make decisions on the business’s behalf
Income	<ul style="list-style-type: none"> • Most recent paystubs (all income received in 1 month) • 2019 Tax Return • Award letter
COVID-19 Impacts	Documents verifying how COVID-19 negatively impacted the business <ul style="list-style-type: none"> • Profit and Loss Statement • Notice(s) received to close