



COVID-19 Small Business Grant Program Guidelines and Requirements

Community Development Block Grant (CDBG)
Notice of Funding Availability
Emergency Economic Development Resources for
Job Creation / Retention of Low-Moderate Income Jobs

Please submit electronically at ArcadiaCA.gov/LocalBusiness
or by email at DSD@ArcadiaCA.gov

***Applications due May 20, 2020 at 5:30 PM**

Introduction:

The public health emergency orders that have been issued to combat the Coronavirus (COVID-19) pandemic and the negative economic impact that has resulted to small businesses has presented an unprecedented need to direct financial resources to Arcadia's small business community. The City is doing what it can to help support small businesses under the existing public health orders, and is committed to assisting small businesses once they can ultimately reopen when the orders are lifted. To that end, the City has created a new COVID-19 Small Business Grant Program under the Arcadia Works! economic recovery plan. Utilizing \$245,000 in Community Development Block Grant (CDBG) funds, including \$180,000 in new CDBG-CV funding provided to the City under the federally funded CARES Act, grants of \$5,000 are now available for Arcadia small businesses to apply for as outlined below. The City is currently exploring additional options to provide financial assistance to our small business community affected by COVID-19 in the form of an additional round of small business grants and/or no-or-low interest loans.

CDBG Background:

The United States Department of Housing and Urban Development (HUD) established Community Development Block Grants (CDBG) in 1974. The primary purpose of these grants is to provide financial resources to address a wide range of community and economic development services. When using CDBG funds, the activity must: 1) Meet a National Objective, 2) Fall into an Eligible Program Category, and 3) Provide Benefits to Low-to-Moderate Income Persons. The COVID-19 Small Business Grant Program meets these requirements, and specifically will be focused on Economic Development and Business Sector Assistance for the creation and retention of Low to Moderate Income Jobs¹.

Program Requirements:

- Small business with no more than 50 full-time equivalent (FTE) employees², located at a commercial or mixed-use zoned property³, and have a bona fide ground-floor commercial storefront in the city limits of Arcadia⁴
- Business has an active City of Arcadia business license
- Grant must be utilized to help retain the job of at least one low-moderate income employee per CDBG requirements

¹ At least 51% of the jobs created or retained will be held by, or made available to persons whose household income is at 80% of Area Median Income or less, adjusted for household size.

² On an annual basis, a full-time equivalent (FTE) employee is considered a single full-time employee or multiple part-time employees and/or independent contractors that cumulatively work 2,080 hours annually at the place of business, calculated at 8 hours per day and 5 workdays per week. Business owners who work at their place of business are to be included in the FTE calculation.

³ Commercial or Mixed-Use Zoned Property includes all types of commercial, industrial, and mixed-use zoning.

⁴ Bona fide ground-floor commercial storefront is defined as a ground-floor direct public entrance to the outside of the building.

- Grant recipient must 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.

Eligibility Exclusions:

- Any national chain that is not locally franchised
- Businesses with active City of Arcadia municipal code violations (open, unresolved code cases, etc.)
- Adult businesses, massage parlors, pawn shops, bail bond services, home-based businesses, businesses with no bona fide ground-floor commercial storefront.

Criteria and Process of Awarding of Grants:

Applications will be reviewed and scored up to 100 total points based solely on the criteria listed below. All businesses scoring 90 points or greater will be deemed eligible for the initial round of grant funding as “Tier 1” applicants. Grant recipients will be chosen by a random lottery of all eligible Tier 1 applicants (i.e., those scoring 90 points or higher). Remaining applicants will be considered “Tier 2” applicants. If funding is available after Tier 1 grants have been issued, a random lottery of eligible Tier 2 applicants will be held until all available funding is awarded.

1. Business Type:

- *Independently owned retail, restaurants, cafés, and gastropubs (25 points)
- *Individual locally-owned franchises of retail, restaurants, cafés, and gastropubs⁵ (15 points)
- *All other eligible business types (15 points)

2. Length of time business has been in continuous operation in the city:

- *More than 5 years (25 points)
- *Up to 5 years (15 points)

3. Demonstrated financial need resulting from COVID-19 pandemic and consistency with CDBG requirement of hiring or maintaining at least one low-moderate income job

- *Scoring per application questions (10 points per question, maximum of 50 points)



This Program is funded in part by the U.S. Department of Housing and Urban Development through the Community Development Block Grant Program and the 2020 Federal CARES Act

⁵ Defined as locally-owned and owner does not own any additional franchises or other businesses besides Arcadia franchise.



**CITY OF ARCADIA
DEVELOPMENT SERVICES DEPARTMENT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**COVID-19 SMALL BUSINESS GRANT PROGRAM APPLICATION
Grant Applications Due May 20, 2020 at 5:30 p.m. (Online or Email Submittal Only)**

City of Arcadia, Development Services Department, Economic Development Division
240 West Huntington Drive, Arcadia, CA 91007, (626) 574-5409, DSD@ArcadiaCA.gov

BUSINESS APPLICANT INFORMATION

BUSINESS NAME: _____

BUSINESS ADDRESS: _____

BUSINESS OWNER FIRST AND LAST NAME(S): _____

TELEPHONE: _____ EMAIL: _____

PROGRAM REQUIREMENTS CHECKLIST - City staff will verify accuracy of all answers

Definitions for specific terms can be found in the Program Guidelines and Requirements.

Number of full-time equivalent (FTE) employees (including owners and independent contractors): _____

Does your business have a ground-floor commercial storefront? Yes No

Does your business have an active City of Arcadia Business License? Yes No

Does your business have any unresolved municipal code violations and/or delinquent penalties? Yes No

GRANT CRITERIA - City staff will verify accuracy of all answers

Definitions for specific terms can be found in the Program Guidelines and Requirements.

1. BUSINESS TYPE: Please indicate which category your business falls into

- Independently owned retail, restaurant, café, or gastropub (25 Points)
- Single locally-owned franchise of retail, restaurant, café, or gastropub (15 Points)
- Other eligible business type (15 points)

2. LENGTH OF TIME YOUR BUSINESS HAS BEEN IN CONTINUOUS OPERATION IN THE CITY:

- More than 5 years (25 Points)
- Up to 5 years (15 Points)

3. COVID-19 FINANCIAL NEED AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) OBJECTIVES (50 POINTS) – Note: At time of grant issuance business may be asked to provide city with requested support documents for the responses provided below as needed to verify

1. Have you experienced reduced revenue/cash flow of at least 20% since the COVID-19 outbreak in March 2020 compared to this same time-period 12 months prior, or compared to January and February of the 2020 calendar year? (10 Points)

Yes No

2. Is your business experiencing significant financial solvency issues as a result of COVID-19? (10 Points)

Yes No

3. Will the current finances of your business in combination with a \$5,000 grant allow your business to remain open (or re-open following easing of restrictions) for a minimum period of at least 90 days following awarding of the grant? (10 Points)

Yes No

4. As a result of the COVID-19 pandemic, have you had to layoff, furlough, or reduce the number of weekly working hours of one or more employees considered low-moderate income as defined in Attachment A of this application? (10 Points)

Yes No

5. Will the grant be used all or in part to pay wages of an employee that is considered low-moderate income as defined in Attachment A of this application, or otherwise used to meet the CDBG requirement of hiring or maintaining at least one low-moderate income job? (10 Points)

Yes No

ACKNOWLEDGEMENT

I/We HEREBY CERTIFY that the aforementioned facts are true and correct. Furthermore, if approved, I/We will provide additional documentation and certification of the information provided on the application form prior to grant issuance. I/We will be liable for all costs incurred through the program if any information provided is determined to be false and/or incorrect which may have initially qualified me/us for the Small Business Grant Program.

Applicant's signature

Date

Co-Applicant's signature

Date

.....
FOR OFFICE USE ONLY

Date and Time Submitted: _____

Total Score: _____ Eligibility: _____

Evaluator: _____ Date Evaluated: _____

ATTACHMENT A: LOW-MODERATE INCOME GUIDELINES

For purposes of this application, “low-moderate income” persons and jobs are those whose household income is at or less than 80% of the Median Household Income for Los Angeles County, as defined under the CDBG 2020 Program Income Guidelines listed below:

Number of Persons In Household	Maximum Combined Household 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