

City of La Verne

COVID-19 Related

Small Business Rescue Grant Program

Program Guidelines



Program Overview

About the Program

The City of La Verne has created a Small Business Rescue Grant Program, which will provide funding to small businesses needing financial assistance in overcoming the temporary loss of revenue due to the COVID-19 pandemic. All eligible businesses are invited to apply. Businesses which have previously received alternative sources of funding such as the Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) Loan are eligible to apply. The program is based on the availability of funds, program guidelines and submission of all required information and supporting documentation. Small businesses with a minimum of one (1) employee and a maximum of twenty-five (25) employees (full or full-time equivalent combination) may be eligible to receive a working capital grant in an amount of five thousand dollars (\$5,000) up to ten thousand dollars (\$10,000). The grant is intended to mitigate financial hardships resulting from the COVID-19 public health emergency; eligible uses include working capital to cover the day-to-day business operating expenses such as rent/lease payments, mortgage payments, payroll and benefit costs, utility expenses, or expenses related to COVID-19 such as Personal Protection Equipment (PPE) or expenses incurred to adopt safer operating procedures.

In May 2021, the U.S. Department of Treasury allocated funds from the American Rescue Plan Act of 2021 (ARPA) to the City of La Verne for COVID-19 response, relief, and reinvestment. The City is allocating up to one million dollars (\$1,000,000) for the La Verne Small Business Rescue Grant Program. These funds are to be used to mitigate financial hardship caused by declines in revenues due to the COVID-19 public health emergency.

The City's Economic Development Division will be responsible for oversight of the La Verne Small Business Rescue Grant Program and disbursement of funds will take place through the City's Finance Department. The City's Program Partner, the La Verne Chamber of Commerce (the Chamber) will be responsible for program marketing, initial review to ensure application is completed correctly with all appropriate documentation received. The City Manager will complete the underwriting and be responsible for review of financial and business documentation for grant approval. City staff 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. Business applicant does not need to be a Chamber member to apply.

City Reserved Rights

The City reserves the right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to request additional information of the applicants as deemed necessary and appropriate by the City; (4) to conduct

further due diligence with applicants or any third party; (5) to modify the City's objectives or the scope of the program; (6) to modify program requirements, general terms and conditions, or eligible activities; and/or (7) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

Eligibility

To be eligible to apply for the La Verne Small Business Rescue Grant Program, a business must meet certain criteria that has been established by the City of La Verne and the guidelines set forth by the U.S. Department of Treasury for utilizing ARPA funds. The business must also demonstrate the need for financial support resulting from the temporary loss of revenue due to the impact of COVID-19.

General Terms and Conditions

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

- The business must be a for-profit business and physically located in La Verne.
- The business must be located in a commercial or industrial space.
- The business does not need to be a Chamber member.
- Residential or real estate projects including short-term rental operators landlords and Home occupation businesses are not eligible.
- The business must have an active La Verne business license since June 2020; if license is not current then business agrees to bring it current as a condition of grant approval.
- The business must have at least one employee and no more than twenty-five (25) full-time equivalent employees (two part-time employees equal one full-time employee).
- The business must be in good standing with the City (current license, no violations, must be in compliance with LVMC).
- The business must have experienced mandatory shutdown or demonstratable effects of business operations.
- The business applicant must be able to document that it experienced financial hardship causing business interruption due to COVID-19. For example, total revenue from the 2020 or 2021 calendar year was down in comparison to revenue from the 2019 calendar year.
- Expenses were not recovered through any other local, state or federal funding programs, (i.e. CARES Act, State unemployment funds, CDBG Grant Program)
- If applicable, the business must have submitted all required documents to the City for previous CDBG Grant program.
- The business must submit the application, and all required supporting documentation.
- For replacement of revenue request, amount requested (up to \$10,000) cannot exceed the verified amount of lost revenue.

City employees and elected and appointed officials are not eligible to participate in this program.

Eligible Activities

This grant will be awarded to small businesses in order to mitigate financial hardships such as declines in revenue, impacts due to periods of mandated closure or restricted operations and/or to implement safer operating procedures or operations in order to respond, prevent or mitigate the COVID-19 public health emergency.

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency, were incurred after April 1, 2020, and were not covered or reimbursed through any other funding programs, such as the reimbursement by the federal government pursuant to the CARES Act or contributions by States to State unemployment funds.

Applicants will be required to complete a “Spending Plan” itemizing expenses; any available invoices or billing statements should be included and attached to the Spending Plan. The Spending Plan will breakdown how the grant funds will be used within their business, if approved and awarded funding. The expenses listed on the Spending Plan must be in response to negative financial impacts experienced or expenses incurred due to COVID-19. Each applicant will need to sign and verify that the use of funds have been or, will be spent on eligible business expenses. Any use of funding other than support of the business is strictly prohibited.

A partial list of eligible expenses is as follows:

- Rent or Mortgage Expenses
- Utility Bills
- Payroll Costs
- Façade Improvements¹
- Expenses to enhance outdoor operations¹
- Hiring Bonus²
- Personal Protective Equipment (PPE)
- Updates to Employee Handbook

1. Façade Improvements must be in a public facing area (for visual improvements), outdoor operations must be for public/consumer gathering areas. (work must be approved separately by City)

2. Hiring Bonus is made to employee for employers who have had a difficult time attracting new employees. The bonus should be given after 6 months of employment. Capped at \$1,500 per employee.

The applicant will be required to submit a report, including invoices, canceled checks or bank statements demonstrating that the funds were spent in compliance with the Spending Plan. In the event a business does not expend the funds in the manner consistent with the “Spending Plan” as outlined in the application or does not expend the entire grant amount, the business will be required to return the funds to the City.

Equal Opportunity Policy

The City of La Verne and the Chamber shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin, marital status, ancestry, or physical handicap in accepting and processing program applications.

Application Process

The La Verne Small Business Rescue Grant Program application includes information about the small business, the number of employees in the business, location of the business, amount of time in business, a Grant Spending Plan and financial documentation indicating the negative financial impact due to COVID-19. The application and Grant Agreement will require the following Attestations:

- The business experienced a loss in revenue when comparing total revenue from calendar year 2020 to total revenue from calendar year 2019.
- The business has a minimum of at least one employee and does not exceed a maximum of twenty-five (25) full or full-time equivalent employees (two part-time employees equal one full-time employee).
- Spending Plan and Certification that funds will be spent by June 30, 2023.
- Certification that the financial records submitted to show the economic losses, are true and accurate.
- Certification that grant amount spending records will be available for audit when requested.
- The business agrees to maintain all records pertaining to the grant for at least 6 years.

Applications will be reviewed in the order received. Applications are only considered accepted when all documentation has been submitted. Grants will be awarded to the first one hundred (100) applicants that submitted all documentation that conforms to and meets the program guidelines. The number of grants participants will be limited to the amount of funding (\$1,000,000) allocated to the program.

Documentation Requirements

Applications will need to include the following documents:

- Completed Application
- Spending Plan, including any Invoices or Billing Statements
- Current City of La Verne Business License.

- W-9;

Applicants may submit the Following documenting a revenue loss when comparing 2019 income to COVID-19 impacted income:

- 2019 Federal Tax Return and 2020 or 2021 Federal Tax Return documenting the business income.

Grant Review and Approval Process

Review

The application will be submitted to the La Verne Chamber of Commerce who will conduct an initial review to ensure completeness of the application and documentation and to verify a negative financial impact has been experienced. Upon pre-approval by the Chamber, the application packet will be forwarded to the City's Economic Development Division for concurrence with Chamber's recommendation.

The City of La Verne is expecting the Small Business Rescue Grant Program to have an overwhelming number of applications. If the number of applications exceeds the amount of funding that is available for disbursement, the Chamber will stop receiving applications until the first submitted applications have been reviewed and decided upon. If funds still remain available, they may open a phase 2 period to accept additional applications.

Approval and Grant Disbursement

As each business recipient submits a complete set of required documentation, it will be reviewed and verified. Business will be required to sign a Grant Agreement acknowledging and agreeing to comply with the grant terms; funds will then be disbursed to the approved individual business. The City will award grant funds in a single disbursement. All grant funds shall be expended on eligible expenses within 12 months of the effective date of Grant Agreement or by June 30, 2023, whichever occurs first. Any portion of the grant funds not expended on eligible expenses shall be returned to the City by no later than December 31, 2023.

Grant Report

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency, and they were incurred during the period that begins on April 1, 2020, and ends twelve months after the effective date of the Grant Agreement or by June 30, 2023 whichever is sooner. In the event a business does not expend the entire grant amount, the business will be required to return the remaining balance by the thirteenth month after the effective date of the Grant Agreement or by December 31, 2023, whichever is sooner.

The business recipient will provide a Grant Report to the City once all funds are expended, providing documentation that funds were spent in compliance with the Spending Plan. The City will evaluate the business's compliance with the Grant program. If it is determined the business did not expend the funds consistent with the Spending Plan/Eligible Activities, it may constitute an Event of Default under the Grant Agreement.

Post Grant Follow Up

In the twelve months following execution of the Grant Agreement, information may be requested from each grantee. If contacted by the City or La Verne Chamber of Commerce, all awardees will be required to provide an update on their business and if additional employees have been hired or employees retained. The City of La Verne will create a twelve-month report to document the success of the program.

By acceptance of the grant, the business agrees to keep all documentation related to this program for a period of six years and to comply with information requests that may include use of photos or business logos. Business participation in this program may be made available to the public.

Program Appeal Process

Appeals concerning the La Verne Small Business Rescue Grant Program should be made to the City of La Verne Community Development Department. If unresolved in this manner, the appeal shall be made in writing and filed with the City Manager's Office.

Contact Information

For additional information regarding the Small Business Rescue Grant Program, please contact the following:

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