



COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID SMALL BUSINESS LOAN PROGRAM GUIDELINES

Awards will be based on eligibility and will be reviewed in order received

SUMMARY:

Community Development Block Grant Coronavirus Aid (CDBG-CV) is a federally funded program. CDBG-CV funds may be used to secure economic opportunities for low- and moderate-income persons. CDBG-CV funds are targeted to businesses of the City that have the highest adverse impact as a result of the Coronavirus.

PURPOSE:

The Chowchilla CDBG-CV Small Business Loan Program is designed to promote economic stability by providing immediate relief in the form of a one-time forgivable loan for essential operating expenses to Chowchilla small businesses negatively impacted by COVID-19.

The goals of this program are to:

- **Help small businesses survive the COVID-19 crisis.**
- **Retain employment and continue to pay employees.**
- **Maintain the provision of goods and services for Chowchilla residents.**

FUNDING:

The maximum CDBG-CV award will be \$10,000 upon approval and in compliance with CDBG-CV criteria.

ELIGIBILITY:

A business must meet **ALL** of the following criteria to be eligible to apply:

- Must be a private, for profit business. Independent Contractors who receive 1099 tax forms are not eligible for this program.
- Business and/or any owner may not be suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal transactions.
- Businesses must have 25 or less full-time equivalent employees.
- The business must have a physical storefront establishment within Chowchilla's city limits.
- Businesses must have a current Chowchilla business license.
- The business must have experienced a negative impact due to COVID-19, by certifying that the business has experienced at least a 25% reduction in revenue since March 1, 2020 and that proceeds will be used for allowable expenses under the State CDBG-CV Act guidelines.
- No national chains. National chains are defined as franchises/for-profit corporations; **except in the case where the franchisee or brand has a Chowchilla-based owner.**
- Operating **as a business since March 1, 2019.**
- Business may **NOT** be delinquent in State and/or Federal licensing and filings.

If CDBG-CV funds are awarded to a business, the business must meet the following requirements:

- Business will create/retain at least **one full-time or full-time equivalent (40 hours/week) low- or moderate-income permanent job (LMI Job) within 12 months**. Moderate-income means less than or equal to 120% of the Area Median Income (AMI).
- If business is retaining LMI job(s), then business must demonstrate clear objective evidence that permanent LMI job(s) would be lost without CDBG-CV assistance.

TERMS:

Loan will be forgiven if the business meets the required LMI job creation/retention after a one-year period.

ELIGIBLE USES (CDBG-CV funds can be used for):

- Rent/Mortgage in arrears plus one additional month
- Utilities in arrears
- Payroll
- Personal Protective Equipment, such as plastic gloves and face shields, disposable masks, and touchless hand sanitizer dispensers

INELIGIBLE USES (CDBG-CV funds cannot be used for):

- Loan Payments to Small Business Associations
- Governmental Uses or Expenses
- Political Activities
- Personal Property
- Savings

APPLICATION PROCESS:

Applicants must complete and submit a funding application to the City of Chowchilla. Applications will be reviewed in order of receipt. All required supporting documentation **MUST** be submitted with completed application in order to be considered for CDBG-CV funding.

Applicants will be notified of their application's approval or rejection and funding amount by City staff or consultant. Amount of funding awarded to a business will be based on need. Once program funding is exhausted, other qualified applicants will be placed on a waiting list when additional funds become available.

REVIEW PROCESS:

The following priorities will be considered when awarding funds:

- The business provides jobs to low- to moderate-income individuals.
- The number of jobs that the business sustains during a normal business cycle (pre COVID-19 levels).
- The business demonstrates that it has lost a significant share (25% or more) of revenue due to the COVID-19 pandemic.
- The business demonstrates a strong chance of remaining open post COVID-19.
- The business has operated consistently since March 1, 2019.
- Priority will be given to businesses located within low/moderate census tracts as defined by HUD.
- All eligibility criteria have been met.

****REQUIRED DOCUMENTS****

Ensure you have the following documents ready before beginning this form:

- Chowchilla Business License
- Lease Agreement
- Payroll Information
- Proof of Insurance
- Financial Statement that includes: (a) Income Statement, (b) Balance Sheet, and (c) Statement of Cash Flows
- Most recent signed IRS Tax Return
- Documentation of previously received COVID-19 related federal funding and breakdown on how funds were spent

You will also need the following information to fill out the form:

- DUNS number
- Tax ID/EIN

Complete applications should be submitted via email to:

Michael Baker International
Attention: Millie Grape, City Consultant
millie.grape@mbakerintl.com

Questions should be directed to Millie Grape, City Consultant, (562) 200-7173 or by email at
millie.grape@mbakerintl.com