



Business Recovery Program

Purpose

- 1.1 In response to the COVID-19 pandemic, state and local authorities issued emergency public health orders to limit the spread of infection, resulting in unprecedented economic impacts across the country. The purpose of the City of Diamond Bar Business Recovery Program ("Business Recovery Program") is to provide local small businesses with resources to weather these impacts so that they can maintain local jobs, retail center vibrancy, services to City of Diamond Bar ("City") residents and the City's sales tax base that funds essential services such as public safety, road maintenance, and parks and recreation facilities and programs.

Policy

- 1.2 The Business Recovery Program is established to provide a one-time not to exceed payment of \$5,000 in grant funds to eligible small businesses.
- 1.3 The Business Recovery Program will remain in effect until December 31, 2020 or until funds are exhausted, whichever occurs first.
- 1.4 The City Council, City employees and their spouses or domestic partners shall not be eligible for grant funds under the Business Recovery Program, nor shall any business in which such persons have a "financial interest", as such is defined in the Political Reform Act, be eligible.
- 1.5 The Business Recovery Program is primarily funded with resources provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136). Funding available under the CARES Act includes an appropriation to carry out the Community Development Block Grant-Coronavirus (CDBG-CV) Program. Assistance under the Business Recovery Program must meet all regular CDBG funding requirements in addition to the CDBG-CV goals of preventing, preparing for, and responding to the COVID-19 pandemic.
- 1.6 The City reserves the right, at its sole discretion, to award all, a portion, or none of the available CDBG-CV funding. To the extent funding is awarded, it will be based on the merits of the application. The City may extend deadlines and timeframes, as needed. The City may condition any funding on its ability to substantiate an applicant's qualifications, financial information, capability to perform, availability, past CDBG performance, etc.

Eligibility

- 1.7 The business must currently employ at least one employee whose salary qualifies as low-moderate income, plan to rehire such an employee who has been laid-off/furloughed, plan to hire such an employee, and/or demonstrate that without the grant award, a low-moderate income job will be lost. "Low-moderate income" shall mean income which is less than or equal to 80% of the median household as it is defined in federal Community Development Block Grant (CDBG) standards for 2020. Independent contractors do not qualify as employees.
- 1.8 The business must be an independently owned and operated business that employs no more than 25 full-time equivalent (FTE) employees. FTE is defined as a single full-time employee or multiple part-time employees that work a total of 2,080 hours annually. Franchisees are eligible as set forth below.
- 1.9 The business must possess a valid City Business License. The business must have been in operation for a minimum of one year in the City.
- 1.10 Grant funds shall be used for business-related expenses only, such as rent, payroll, utilities, personal protective equipment (PPE), and the purchase and installation of equipment to accommodate physical distancing.
- 1.11 Grant funds may not be used to finance personal debt, taxes that are in arrears, government fines and/or penalties, purchase personal property, construction, as personal income, for political campaigns, and/or for lobbying.
- 1.12 The following business types are not eligible for Business Recovery Program grants.
 - 1.12.1 Businesses in which the owner operates more than one location, or owns more than one franchise, whether or not such locations or franchises are located in the City.
 - 1.12.2 Home-based businesses.
 - 1.12.3 Any business without a commercial storefront in the City.

Application Process

- 1.13 An applicant must fully complete the grant application, which includes a statement self-certifying that the grant proceeds are required to retain, hire, rehire a low-moderate employee or that a low-moderate income job will be lost.

- 1.14 Applications will be accepted for a defined period established by the City Council each time grant funds are made available for distribution. At the close of the application period, City staff shall conduct an initial evaluation to determine preliminary eligibility. If an application is submitted and found to be incomplete, City staff will contact the business owner to provide assistance. The revised or completed application must be resubmitted by the specified time to be eligible for consideration.
- 1.15 All eligible applicants will be entered into a lottery held on an established date. Applicants selected in the lottery will be contacted by City staff to provide any supplemental documentation that may be necessary for City staff to verify eligibility before entering into the City's Grant Acceptance Agreement.
- 1.16 Required documentation may include, but is not limited to:
 - 1.16.1 Microenterprise Certification Form
 - 1.16.2 Special Economic Development Low-Moderate Job Creation Certification Form
 - 1.16.3 Payroll records/income certification.
 - 1.16.4 Invoices.
 - 1.16.5 Lease agreements, rent receipts and/or mortgage statements.

Award

- 1.17 Upon satisfactory review of the required documents, staff will issue a Notice of Award to the applicant via email and provide the Grant Acceptance Agreement for signature.
- 1.18 The Grant Acceptance Agreement contains binding terms and conditions and reporting requirements and must be signed by the applicant and City Manager prior to the disbursement of funds.
- 1.19 All proceeds received under the Grant Acceptance Agreement must be spent in accordance with the Business Recovery Program within one year of execution of the Grant Acceptance Agreement. Proceeds not spent shall be returned to the City.
- 1.20 Failure to meet all terms and conditions of the Grant Acceptance Agreement will result in the full repayment of all grant funds.

Monitoring & Reporting

- 1.21 Grant recipients will be required to submit supporting documents on a quarterly basis accounting for all expended funds. The City will notify grant

recipients what documentation is required, as it will vary based on the intended use of grant funds as stated in the application.

1.22 The City will meet all reporting requirements of the CDBG-CV program.

Retention

1.23 The City shall maintain all applicant information and supporting documentation in an applicant file to demonstrate the applicant's eligibility/ineligibility for this program.

1.24 An approved applicant file shall contain all submitted information and documentation necessary to meet all required eligibility criteria and contain completed forms, documentation, and necessary information.

1.25 A denied applicant file shall contain all submitted information and documentation, as well as the reason for denial.

1.26 The City shall maintain all applicant files, eligible and ineligible, for no less than a period of 5 years from the end of the program.

1.27 The City shall periodically report to-date grant recipients assisted in a numeric and narrative format as directed by the Los Angeles County Development Authority (LACDA).

References/Exhibits

1.28 2020 Community Development Block Grant (CDBG) Low-Moderate Income Guidelines

2020 Community Development Block Grant (CDBG) Low-Moderate Income
Guidelines for Los Angeles County

| Number of Persons in Household | Maximum 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 |

