

## City of Richland

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# COMMUNITY DEVELOPMENT BLOCK GRANT SMALL BUSINESS STABILIZATION PROGRAM GUIDELINES & APPLICATION

**Funding is limited. Awards will be on a first-come, first-eligible basis**

## PROGRAM GUIDELINES

**Summary** Community Development Block Grant (CDBG) is a federally funded program through the U.S. Department of Housing and Urban Development (HUD). City CDBG funds may be used to expand economic opportunities for low-and moderate-income persons. CDBG funds are targeted to areas of the City that have the highest concentrations of low and moderate income persons. In addition, these areas generally coincide with Richland's older residential neighborhoods and the central business district.

**CDBG Target Areas** are those census tracts within the City where over 51% of the individuals have incomes of 80% of the median income or less. These are, by and large, areas where a large number of Richland's lower income people live.

### Purpose

The Richland Small Business Stabilization Program (SBSP) is designed to promote economic stability by providing immediate relief in the form of a one-time forgivable loan for essential operating expenses to Richland small businesses negatively impacted by COVID-19.

### The goals of this program are:

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

### National Objective

The CDBG National Objective for Economic Development projects is *Low-Mod Jobs* Creation and Retention – (LMJ), 24 CFR 570.208(a)(4).

### Funding

The maximum CDBG award will be \$10,000 upon approval and in compliance with CDBG 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 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 less than 20 FTE (full-time equivalent employees.)
- The business must have a physical storefront establishment within Richland's city limits.
- Businesses must have a current Richland business license.
- The business must have experienced a negative impact due to COVID-19.
- No national chains. National chains are defined as franchises/for-profit corporations; **except in the case where the franchisee or brand has a Richland-based owner.**
- Operating for at least **24 months**.
- Business may **NOT** be delinquent in State and/or Federal licensing and filings.

If CDBG funds are awarded to a business, the business must meet the following requirement:

- 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 80% of the Area Median Income (AMI). See Section 4 of the application for income and details on how to meet the HUD National Objective for jobs.
- If business is retaining LMI job(s) – business must demonstrate clear objective evidence that permanent LMI job(s) would be lost without CDBG assistance.

**Terms** Loan will be forgiven over a one-year period as the business meets the required LMI job creation/retention requirement as outlined in the written agreement.

### **Eligible Uses (CDBG funds can be used for):**

Rent

Mortgage

Utilities

Payroll

Other operating expenses

### **Ineligible Uses (CDBG funds cannot be used for):**

Loan Payments to Small Business Assoc. (SBA)

Governmental Uses or Expenses

Political Activities

Personal Property

Savings

### **Application Process**

Applicants must complete and submit a funding application to the City's Development Services Department. Applications will be reviewed on a first-come, first-eligible served basis. All required supporting documentation **MUST** be submitted with completed application in order to be considered for CDBG funding.

Applicants will be notified of their application's approval or rejection and funding amount, by Development Services staff. 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 if/when additional funds become available.

### **Review Process**

The following priorities will be considered when awarding funds:

- The business provides jobs to low-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 (50% 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 for two years.
- Priority will be given to businesses located within low/moderate census tracts as defined by HUD.
- All eligibility criteria has been met.

### **\*\*REQUIRED DOCUMENTS\*\***

**You will not be able to leave and return to your application. Ensure you have the following documents ready to upload before beginning this form:**

**(1) Business License**

**(2) Proof of Insurance**

**(3) Financial Statement that includes (a) Income Statement, (b) Balance Sheet, (c) Statement of Cash Flows**

**(4) Current signed IRS Tax Return**

**You will also need the following information to fill out the form:  
DUNS number, UBI number and Tax ID/EIN**









**5. DISCLOSURE ASSURANCES AND SIGNATURES**

Applicant agrees that the acceptance of this application does not commit the City to enter into an agreement, to pay any costs incurred in its preparation, to participate in subsequent negotiations, or to contract for the project. Further, the acceptance of this application does not constitute an agreement by the City that any contract will be entered into by the City. The City expressly reserves the right to reject any or all applications or to request more information from the applicant.

The applicant also agrees that the City will only consider funding for an application that has been completed in full, met all eligibility requirements and has attached all supporting documentation. Applicant hereby certifies that all information contained in this document and any attachments is true and correct to the best of the applicant’s knowledge.

The City, the Department of Housing and Urban Development, the Comptroller General of the United States, or any duly authorized representatives, will have access to any books, documents, papers and records that are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs will be maintained for a period not less than 5 years following completion of the program agreement period, agreement termination, or default, whichever shall first occur.

No person who is an employee, agent, consultant, officer, appointed official, or elected official of the City of Richland who exercises or has exercised any functions or responsibilities with respect to CDBG activities, or is in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Hiring or retaining a LMI job is a condition of receiving CDBG funding and must be created/retained prior to award of funds. Recipient of funds will be required to report monthly for a one-year period after the job creation/retention has occurred. The Written Agreement will further outline CDBG requirements during the one-year period. A recipient will be required to repay CDBG funds if LMI job creation/retention is not fulfilled within the one-year period.

**I UNDERSTAND AND BY SIGNING, AGREE:**

All information I have provided in this application is true and correct to the best of my knowledge. I agree to notify you promptly in writing upon any material change in the information provided herein. You are authorized to make such inquiries, as you deem necessary and appropriate to verify the accuracy of this application.

I also agree to comply with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1964 and applicable provisions of federal statutes and regulations concerning equal employment opportunity laws and civil rights laws, and the provisions of the Americans with Disabilities Act. Grant recipients must give equal consideration to all qualified job applicants and treatment of employees without regard to race, color, religion, sex (including pregnancy, gender identity and sexual orientation) national origin, age (40 or older), disability.

\_\_\_\_\_  
Signature - Business Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature – Business Owner

\_\_\_\_\_  
Date