

# Revere CDBG Microenterprise Grant Program Policies + Procedures

*Each owner must certify in the application that they have read the Policies and Procedures.*

## Overview

The COVID-19 pandemic has economically damaged small businesses everywhere, especially in Revere, causing layoffs and closures. This Program is designed to assist a portion of the Chelsea small business community that is responding to and preventing the transmission of COVID-19 through direct financial support. The City of Revere has programmed \$415,000 in Community Development Block Grant (CDBG) funding to establish a microenterprise grant program, with the objectives of preventing, preparing for, and responding to the coronavirus. The purpose of this program is to provide financial support for the establishment, stabilization, and expansion of micro enterprises. The maximum grant award is \$15,000 to cover up to three (3) months of operating expenses, with the average award expected to be \$10,000.

The Revere Department of Planning and Community Development (DPCD) has created the Revere Microenterprise Grant Program to provide grants to eligible small businesses, with 5 or fewer employees, to help them serve the community. This support will allow these essential drivers of the local economy to continue to operate or to develop new small businesses that will address needs within the community and provide local employment and services. This program has been designed to provide direct grants to qualified businesses rather than loans.

## Eligibility

### **General Criteria:**

- Applicants must be a Revere-based microenterprise (have a physical location in Revere);
- Have five (5) or fewer employees;
- Be a for-profit entity (i.e. sole proprietorships, partnerships, corporations, LLCs) *with a business certificate on file with the City of Revere;*
- The business must provide goods and/or services to multiple customers;

**Good Standing:** Participating businesses must be in good standing with the state and City, including, but not limited to:

- Be current on all taxes through 09/30/2021

- Maintain active and valid state licenses/registrations, if applicable, and City registrations, if applicable;
- Not party to litigation involving the state or municipality;
- Not currently debarred from state or federal awards;
- Not currently have any liens

**Loss of Income:** Participating businesses must be able to document a loss of income equal to or greater than the requested assistance, as a result of COVID-19. The DPCD reserves the right to request supporting documentation, in excess of the documentation furnished as part of the application submission, to ensure compliance with this provision.

**Ineligible Businesses:** Prohibited businesses, firms that are ineligible for funding, consist of the following:

- Real estate rentals/sales businesses;
- Businesses owned by persons under the age of 18;
- Businesses that are chains (local, regional, or national);
- Liquor stores;
- Weapons/firearms dealers;
- Lobbyists/firms that provide lobbying services;
- Cannabis-related businesses

## National Objective Compliance

The City will carry out the Program in accordance with CDBG National Objectives.

National Objective: To aid existing microenterprises, the City proposes undertaking the Program under the Low and Moderate Income Limited Clientele national objective (LMI-LC). The owner(s) of the business seeking funding must be low and moderate income (LMI), as defined by the income limits set by the U.S. Department of Housing and Urban Development for the Boston-Cambridge-Quincy MA-NH HUD Metro FMR Area. Updated annually, these income limits will change each year. The City will perform an income eligibility determination for each of the owners.

Eligibility Determination: To document compliance with national objective based on ownership by LMI persons, applicants must qualify the business for assistance based on supporting income documentation of family (2019 or 2020 tax returns – business and personal). Documentation of family income will be required, such as the most recent tax returns, profit & loss reports detailing payments to owners, and similar documents. The Program will rely on Annual Income as defined in accordance with 24 CFR Part 5.609.

## HUD FY2021 Income Limits

Number of Persons in Family	Gross Annual Income Not to Exceed
1	\$70,750
2	\$80,850
3	\$90,950
4	\$101,050
5	\$109,150
6	\$117,250
7	\$125,350
8	\$133,400

Source: U.S. Department of Housing and Urban Development, Boston-Cambridge-Quincy MA-NH HUD Metro FMR Area

## Use of Funds

Grants may be used for most purposes if they facilitate the stabilization or expansion of a micro enterprise and they prevent, prepare for, or respond to coronavirus.

Grant funds are intended to support ongoing operations during the Covid-19 pandemic and enable businesses that were non-essential to reopen.

Eligible costs can include rent, utilities, salaries and benefits, mortgage payments, insurance, COVID-19 health and safety measures, personal protective equipment, and costs associated with inventory.

## Maximum Allowable Award

Once the City determines that an applicant is eligible for funding, the City will compute the maximum allowable award, based on the losses incurred by the business, as a result of COVID-19. Under no circumstances will an award exceed \$15,000 or the cost of up to three (3) months of expenses, whichever is less. Applicants must submit a budget that indicates how the funds will be spent over the three (3) month period. Following the disbursement of funds, the applicant must submit receipts demonstrating that the funds were used for the purposes stated in the application.

## Application & Award Procedures

**Application:** Applications will be accepted for an initial three-week period. All applications must be accompanied by a fully completed W9 form, profit and loss statements for 2019 & 2020, and 2020 tax returns for the business owner. All applicants must possess a valid federal tax identification number and a System for Award Management (SAM) unique entity ID, which can be obtained for free at SAM.gov. Applications must be submitted digitally. Incomplete applications may be rejected.

**Evaluation:** Upon the closure of this initial three-week application period, City staff will review applications for completeness, conduct a preliminary eligibility determination, collate materials, and begin the qualitative evaluation process. The evaluation of applications may take

up to four (4) weeks, depending on the quality and completeness of each application. Once the applications are evaluated and scored, staff will perform a final determination of eligibility.

**Evaluation Criteria:** The City will assess each application using the qualitative evaluation criteria found in Attachment A. Minority-owned, women-owned, and veteran-owned businesses will receive a priority through the assignment of four (4) additional points during the evaluation process.

**Notification & Award:** Selected applicants will receive a Notice of Award and Grant Agreement for endorsement. The Grant Agreement will cover a period of one (1) year from the date of execution, during which the beneficiary will be subject to monitoring. The selected applicant must fully execute and return the Grant Agreement. Subsequently, the Grant Agreement will be countersigned by the City, including, but not limited to, the Director of the Department of Planning and Community Development.

Unsuccessful applicants will be notified by email. If an email address was not provided, they will be notified by mail.

**Disbursement & Reporting:** The disbursement of funds will occur after the Grant Agreement has been fully executed. Generally, it will take approximately two (2) weeks for funds to be disbursed once agreements have been signed. Funds will be issued via check directly by the City. Following the receipt of funds, the recipient must submit receipts or other financial records describing the use of the funds within 90 days. Within 90 days of receipt of funds, recipients must furnish receipts of all expenditures for which grant funds are used. Digital and hardcopy receipts will be accepted. Receipts should specify the date of the purchase or expense, the type of purchase or expense (i.e. rent, inventory), and the value of the purchase or expense. For labor and payroll expenses, the recipient must submit itemized documentation of the employees, amounts paid, and date of payment. Examples of appropriate documentation include, but are not limited to, store receipts, purchase orders, credit card statements, and bank statements. Failure to submit the mandatory receipts, necessary to demonstrate that the funds were used for proper purposes, will result in the City requiring the repayment of all monies that cannot be adequately accounted.

Copies of all receipts must be uploaded to the online portal. Access to the portal will be provided at the time of the contract signing. No receipts will be accepted in person.

**Monitoring:** Periodically, during the one (1) year period following the execution of the Grant Agreement, the City will monitor recipients to ensure compliance with the program.

**Future Application Rounds:** Following the initial three (3) week application period and resulting evaluation, award, and disbursement process, the DPCD may reopen the application period, if funds remain unspent. The second round of applications may be accepted on a rolling basis, or the Department may set out a three (3) week application window, when applications could be submitted.

## Repayment

This program provides direct grant assistance to qualified small businesses. If a business receives funds, remains in business in Revere, and complies with the grant terms and conditions, the business will NOT have to repay any funds.

If a business ceases to exist or relocates outside of Revere within one (1) year of the execution of the grant agreement, the business shall repay the grant funds.

## Duplication of Benefits

A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

**To comply with this section, applicants must complete the Duplication of Benefits section of the grant application.** The certification must be completed by any recipient of funds, in compliance with Section 312 of the Stafford Act, as amended by Section 1210 of the Disaster Recovery Reform Act of 2018, and all applicable Federal Register notices, including FR-6218-N-01.

## Equal Opportunity

### **Accommodations for persons with disabilities and non-English speaking residents:**

In accordance with Title II of the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1974, the City will reasonably accommodate qualified persons with disabilities in all programs and services funded by CDBG. All programs will be offered in accessible locations (e.g., those meeting the requirements of the Americans with Disabilities Act Accessibility Guidelines), or redesigned and modified to be accessible when barrier-free facilities are unavailable for program delivery. Reasonable accommodation for other types of disabilities will be made at the request of the affected person.

All application and program materials will be produced in English and Spanish. If the City needs to accommodate non-English speaking persons, it will take all administratively feasible steps to provide translation assistance upon request.

It is the policy of the City of Revere to carry out these objectives as effectively as possible and without regard for race, color, creed, religion, national origin, ancestry, sex, age, children, marital status, sexual orientation, gender identity, disability, public assistance or rent-subsidy status.

## Conflict of Interest

The City of Revere shall adhere to the provisions of Massachusetts General Laws, Chapter 268A, and Federal Regulation 24 CFR 570.611 with respect to the Conduct of Public Employees. In addition, no member, officer, or employee of the Program, or its designees, or agents, and no member of the governing body of the locality who exercises any function or responsibility with respect to the Program during his tenure or for (1) year thereafter shall have an interest in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with this program.

