



# City of Elk Grove

## 2021 COVID-19 BUSINESS RECOVERY GRANT PROGRAM POLICIES, PROCEDURES AND GUIDELINES

(Revised January 26, 2022)

### **PROGRAM OVERVIEW**

To further support businesses in Elk Grove experiencing negative financial impacts of COVID-19, the City of Elk Grove has created the “2021 COVID-19 Business Recovery Grant Program” (hereafter, the “Program”). The Program provides grant funding to assist businesses with absorbing costs associated with the financial impacts of the COVID-19 pandemic and to support business recovery. The total amount of grant funds available is \$4 million.

The Program provides grants up to \$15,000 to certain eligible businesses. There is a limited allocation of funds available for the Program; therefore, depending on the number of businesses that apply, it is possible that not all eligible businesses can be assisted. If any of the categories as outlined below are oversubscribed, a random drawing may be used. The allocation, amount, business eligibility and making of grants will be solely within the City Manager’s discretion.

### **BUSINESS ELIGIBILITY**

Outlined below are the three grant categories and eligibility criteria for a business to receive a grant. Eligibility exceptions may be considered by the City Manager.

#### Home-based Small Business Eligibility

- Business is currently physically located within the boundaries of the City of Elk Grove in a residence and provides goods and services within the boundaries of Elk Grove.
- Business is in good standing with the City of Elk Grove (e.g., possess a valid business license and certificate of occupancy where applicable, is in compliance with all applicable zoning and permit requirements, is current on all City bills and obligations, and is not subject to any liens or judgments by the City related to the business).
- Business is compliant with all City, State, and Federal laws and regulations related to the operation of the business.
- Business was operational as of March 1, 2020, is still in business at the time of application, and intends to remain open.
- Business earned \$3 million annual gross revenue or less in calendar year 2019. The preferred documentation to validate this eligibility criteria is the submission of tax returns; however, alternate financial documents may be accepted at the City’s discretion.
- Business had a verifiable COVID-related net revenue loss when comparing full or partial calendar year 2020 to full or partial calendar year 2019 revenue and expense figures. The preferred documentation to validate this eligibility criteria is the submission of tax returns; however, alternate financial documents may be accepted at the City’s discretion.

- For businesses with multiple locations, only employment and revenue figures for the Elk Grove location(s) can be used to qualify for a grant under the Program, and all grant funds received must be used only to support Elk Grove business operations. Multiple locations within Elk Grove operating under a single business entity will be considered one business for purposes of the Program.

#### Non-targeted Small Business Eligibility

- Business is currently physically located within the boundaries of the City of Elk Grove and provides goods and services within the boundaries of Elk Grove.
- Business is in good standing with the City of Elk Grove (e.g., possess a valid business license and certificate of occupancy where applicable, is in compliance with all applicable zoning and permit requirements, is current on all City bills and obligations, and is not subject to any liens or judgments by the City related to the business).
- Business is compliant with all City, State, and Federal laws and regulations related to the operation of the business.
- Business was operational as of March 1, 2020, is still in business at the time of application, and intends to remain open.
- Business earned \$3 million annual gross revenue or less in calendar year 2019. The preferred documentation to validate this eligibility criteria is the submission of tax returns; however, alternate financial documents may be accepted at the City's discretion.
- Business had a verifiable COVID-related net revenue loss when comparing full or partial calendar year 2020 to full or partial calendar year 2019 revenue and expense figures. The preferred documentation to validate this eligibility criteria is the submission of tax returns; however, alternate financial documents may be accepted at the City's discretion.
- For businesses with multiple locations, only employment and revenue figures for the Elk Grove location(s) can be used to qualify for a grant under the Program, and all grant funds received must be used only to support Elk Grove business operations. Multiple locations within Elk Grove operating under a single business entity will be considered one business for purposes of the Program.
- Business employed 20 Full-Time Equivalent (FTE) employees or less, as of March 1, 2020.

#### Targeted Business Eligibility

- Business is currently physically located within the boundaries of the City of Elk Grove and provides goods and services within the boundaries of Elk Grove.
- Business is in good standing with the City of Elk Grove (e.g., possess a valid business license and certificate of occupancy where applicable, is in compliance with all applicable zoning and permit requirements, is current on all City bills and obligations, and is not subject to any liens or judgments by the City related to the business).

- Business is compliant with all City, State, and Federal laws and regulations related to the operation of the business.
- Business was operational as of March 1, 2020, is still in business at the time of application, and intends to remain open.
- Business had a verifiable COVID-related net revenue loss when comparing full or partial calendar year 2020 to full or partial calendar year 2019 revenue and expense figures. The preferred documentation to validate this eligibility criteria is the submission of tax returns; however, alternate financial documents may be accepted at the City’s discretion.
- Business employed 40 FTE employees or less, as of March 1, 2020.
- Eligible business types:
  - Hospitality – includes hotels
  - Entertainment – includes bowling alleys, movie theaters, performing arts, and event venues
  - Restaurants – includes restaurants, bars, coffee, and tea shops
  - Personal services – includes hair salons, nail salons, massage parlors, and fitness studios
  - Daycares – includes adult and child daycares

The City Manager will make all final determinations as to a business’s business type.

**FUNDING ALLOCATION LEVELS**

Grant amounts to eligible businesses will be determined as follows:

- Home based small businesses:
  - 10% of the allocated funds (\$400,000) will be dedicated to this category.
  - \$500 flat grant amount per qualified business.
- Non-targeted small businesses:
  - 30% of the allocated funds (\$1,200,000) will be dedicated to this category.
  - Grant amounts will be a flat amount determined by the 2019 Annual Gross Revenue for each applicant as indicated in the table below. When comparing 2020 revenue to 2019 revenue, if the revenue loss (in dollars) is less than the allotted Grant Amount, as set forth in the table below, then any approved grant will be reduced to equal the verified revenue loss. Under no circumstance will a grantee receive a Grant Amount under this Program exceeding the verified revenue loss.

2019 Annual Gross Revenue Brackets	Grant Amount
\$1,000 - \$100,000	\$3,500
\$100,000 - \$1,000,000	\$7,000
\$1,000,000 - \$3,000,000	\$10,500

- Targeted businesses:
  - 60% of the allocated funds (\$2,400,000) will be dedicated to this category.
  - Grant amounts will be a flat amount determined by the 2019 Annual Gross Revenue for each applicant as indicated in the table below. When comparing 2020 revenue to 2019 revenue, if the revenue loss (in dollars) is less than the allotted Grant Amount, as set forth in the table below, then any approved grant will be reduced to equal the verified revenue loss. Under no circumstance will a grantee receive a Grant Amount under this Program exceeding the verified revenue loss.

2019 Annual Gross Revenue Brackets	Grant Amount
\$1,000 - \$100,000	\$5,000
\$100,000 - \$1,000,000	\$10,000
\$1,000,000 - \$3,000,000	\$15,000

**USE OF FUNDS**

Grant funds can be used to offset or reimburse the business for operational costs or revenue loss caused by the COVID-19 pandemic, including:

- General business operations
- Payroll expenses
- Supplier payments
- Rent, lease, or mortgage payments for business real or personal property
- Personal Protective Equipment (PPE) and/or sanitation supplies and equipment
- Costs of compliance with County, State, or Federal requirements or recommendations

**APPLICATION, REVIEW, AND APPROVAL PROCESS**

One or more 30 calendar day application periods will be established which will commence on a Monday at 9 AM (the exact date of which will be determined and broadly publicized), and will close 30 calendar days later, at 5 PM. All applications must be submitted electronically via the City’s online application portal which will be established at [www.elkgrovecity.org/covid19biz](http://www.elkgrovecity.org/covid19biz). The City will not accept applications in any other manner except in the sole discretion of the City Manager and will not accept applications after the application period closes. The following steps will be followed:

- Business submits online application and uploads required documents (listed below)
  - Business License Certificate
  - 2019 and 2020 Filed Business Tax Returns or Other Revenue and Expense Information deemed appropriate by the City
  - W9
- City reviews application and supporting materials.
- City determination of business eligibility and grant amount.

- A random drawing may be used for any category that is oversubscribed.
- Initial application period will be 30 calendar days; subsequent rounds may be initiated if funds are not exhausted during initial round.
- The City Manager or his/her designee will make all final decisions on Program eligibility and adherence and any related interpretations necessary to make a grant decision.

#### **PUBLIC RECORD**

Unless otherwise exempt under applicable law, applications and application materials are public records. All information received from an applicant, whether received in connection with a grant application or in connection with any grant-funded activities performed, are subject to disclosure pursuant to the California Public Records Act, unless otherwise exempt.

#### **AFFIDAVIT, WAIVER, AND RELEASE FORM**

All businesses offered a grant who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct and can be used as admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

#### **PAYMENT METHOD**

Grant payments will be made by check or electronic deposit to a US based bank account in the business's name.