



SMALL BUSINESS RELIEF PROGRAM (COVID-19)

**Community Development Block Grant - COVID-19 (CDBG-CV) and American Rescue Plan Act Program
Office of Communications, Marketing and Economic Development**

I. PURPOSE

The City of Hollywood, Florida will invest \$479,816.76 through its Community Development Block Grant (CDBG) program funded by the U.S. Department of Housing and Urban Development (HUD) and \$300,000.00 through its Coronavirus Local Fiscal Recovery Funds awarded by the American Rescue Plan Act (ARPA) and provided by the U.S. Department of Treasury to assist small businesses located within the City of Hollywood, Florida in preventing, preparing for, and responding to the COVID-19 pandemic. Funds under this program are limited and it is the City's intent to focus resources to supplement existing federal or state programs already available to effectively support the City of Hollywood businesses.

The following requirements, selection criteria and procedures will be adhered to during the grant selection and disbursement process:

II. FUNDING REGULATIONS

This grant program is funded by HUD via the Community Development Block Grant Coronavirus Response (CDBG-CV) and American Rescue Plan Act (ARPA) funds. The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) authorized this funding for grants to prevent, prepare for, and respond to coronavirus. This grant program has been designed following guidance issued by HUD in its "Notice of Program Rules, Waivers, and Alternative Requirements under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs." [Docket No. FR-6218-N-01]. The Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act provides state, local, and Tribal governments the flexibility to determine how best to use the Fiscal Recovery Funds to meet the needs of their communities and populations. This funding, along with its recipients and subrecipients, will be subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 C.F.R. Part 200. The citation for enabling legislation to utilize the American Rescue Plan Act funding for business assistance is "Pub. L No. 117-2," specifically the Coronavirus State and Local Recovery Funds provision of the ARPA.

III. ELIGIBILITY REQUIREMENTS

Businesses must meet ALL of the following criteria to qualify for grant award consideration:

- Must have a commercial business location within the city limits of Hollywood (home-based businesses are ineligible)
- Must be a for-profit business
- Must have \$5 million or less in annual gross revenue (for calendar year 2019)

- Must have 50 or fewer W-2 employees (including the owner(s) of the business)
- Eligible applicants may have applied for and received (or applied for and been denied) grant funding from the United States Federal Government for Federal COVID-19 related business assistance programs
- Documentation will be required to substantiate application and receipt of funds, denial, or lack of qualification for other COVID-19 Federal aid programs
- If applicant received federal funding (via a loan or grant), applicant must provide verification of amount received and documentation on how the funds were used
- All grant awardees will be required to enter into a Grant Agreement with the City prior to issuance of grant funds
- Per program requirements, the Grant Agreement will require the awardee to return any funds to the City for which awardee may later receive other federal funding to avoid Duplication of Benefits (DOB)
- Business must be structured as a sole proprietorship, partnership, corporation, S corporation (S subchapter) or limited liability company (LLC). Individuals who are self-employed are also eligible to apply
- Business must either
 - 1) be owned by a person whose annual income is at or below the HUD low to moderate income guidelines for the City of Hollywood; or,
 - 2) the business must create or retain at least one low-to-moderate Full Time Employee income job / position for at least three (3) months that pays an annual salary of \$49,300 or less or the person holding the job is a member of a low-moderate income household, or
 - 3) be a retail-oriented business that serves a Low to Moderate Area (LMA). An area benefit activity is one that benefits all residents in a particular area that is primarily residential and where at least 51% of the residents are LMI persons, or
 - 4) be eligible under the urgent need national objective. Funds for this national objective are very limited.
- Business must have been in operation in the Hollywood, Florida on or before March 9, 2020, and must be currently in compliance with all state and local regulations or requirements

NOTE: For businesses that will retain at least one low-moderate income job (**item number 2 above**), the business must be able to document that that the jobs would actually be lost without the CDBG assistance. To document this, application underwriting will include an analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned assistance.

The following business types are specifically ineligible for assistance per HUD guidelines:

- Home-based businesses;
- Nonprofit organizations/businesses;
- Businesses that involve the sale of medical cannabis;
- Private clubs or businesses that limit membership for reasons other than capacity;
- Businesses engaged in the production or wholesale selling of tobacco products, vaping, liquor or sexually explicit materials;
- Businesses engaged in the production or wholesale/retail selling of firearms;

- Pawnshops, liquor stores, adult bookstores, non-therapeutic massage parlors, strip clubs or nightclubs;
- Storage facilities, trailer-storage yards or junkyards;
- A business in which a majority owner or member of the immediate family is an elected official or employee of the City of Hollywood, Florida;
- An establishment similar to any enumerated above; or
- Businesses deemed ineligible by HUD or the City of Hollywood.

NOTE: Multiple applications/applicants may not simultaneously compete for funding for the same property parcel or address.

IV. ELIGIBLE EXPENSES

The grant provides a maximum of \$20,000 in funding for up to six (6) months of the future eligible expenses specified below. These are the only expenses eligible to be covered by this grant program:

- Rent / Mortgage Payments
- Utilities (Electric, Natural Gas, Internet, Telephone – City of Hollywood Water and Sewer is ineligible)
- Payroll

The amount of the grant is determined by looking back and reviewing documented business expenses that occurred during the six (6) month period from January 1, 2021-June 30, 2021.

Ineligible expenses specifically include, but are not limited to, the following expense categories:

- Accounts payable
- Inventory / merchandise
- Renovations to, modifications of, or expansions of existing buildings
- Reimburse expenses incurred prior to Applicant approval of grant or grant
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business
- Personal expenses such as buying a new family car or making repairs to a participant's home
- Direct financing to political activities or paying off taxes and fines
- Purchase of personal items
- Support of other businesses in which the applicant may have an interest
- Eligible expenses that have been paid for by another source

V. GRANTMAKING

Businesses meeting the requirements above shall be considered eligible for a \$20,000 maximum grant award to assist with up to six (6) months of qualifying expenses. No grant may exceed \$20,000.

The City will disperse grant fund award payments directly to the applicant.

Awardee must provide the City with an IRS W9 form (Request for Taxpayer Identification Number and Certification) and a DUNS number.

The City will attempt to fund as many qualified applicants as possible. Applications will be accepted and processed on a first come, first served basis beginning **Monday, August 16, 2021 at Noon**.

VI. HOW TO APPLY

Business owners may apply for the City of Hollywood's Small Business Assistance Grant at the following web address: www.choosehollywoodfl.com.

Applications will be reviewed by City staff or their designee. If an application is incomplete and requires additional documentation, applicants will be notified by email and given ten (10) days to respond and submit the necessary documentation. If the requested documentation is not received by this deadline the applicant will be notified by email that their application is removed from consideration.

If the applicant subsequently submits the required documentation after the ten (10) day deadline and has a valid reason (such as death or documented illness) for not submitting the requested documentation within the ten (10) day deadline, the application will be processed as of the new date of submission.

If the applicant is unable to complete the application process within thirty (30) days of the original email requesting documentation regardless of the above extension of the deadline, it will be denied.

VII. GRANT TIMELINE

On-line applications will be accepted starting at **Noon on Monday, August 16, 2021**.

Grant award disbursements start on or after **Monday, October 4, 2021** until funds are exhausted.

Applications will continue to be accepted until funds are exhausted or notice of earlier termination of the application period is provided.

The application, review, and award process will generally follow these steps:

1. Applicant submits on-line application
2. City staff reviews the submitted application to confirm initial eligibility
3. City staff contacts all applicants to notify them of their eligibility:
 - a. Eligible applicants are directed to submit required documentation
 - b. Ineligible applicants are provided an opportunity to revise and resubmit an application if eligibility is possible
4. City staff or their designee reviews applicant's submitted required documentation for conformity with funding source requirements.
5. Upon receipt of applicant's executed Grant Agreement and other requested documentation, the City Manager or their designee will execute the agreement on behalf of the City
6. Grant funds will be disbursed by the City to the awardee in two payments. The first payment will be within thirty (30) days of the execution of the grant agreement. The second payment will be after the ninety (90) grant period and a Final Payroll Report and Payroll Summary are submitted that shows at least one qualified low-to-moderate income/full time employee was produced or saved.
7. City staff may follow up with the awardee to provide additional documentation to the City

VIII. SELECTION AND DISBURSEMENT PROCESS

Businesses can apply via the online application at www.choosehollywoodfl.com. Applicants will be required to submit evidence, testimony or documentation detailing the impact of COVID-19 on their business and how the requested grant funds will assist the business in preventing, preparing for, and responding to the COVID-19 pandemic.

During the application process, applicants will be asked to provide personal information including name, address, phone number, gender, race, and ethnicity of owners to satisfy federal CDBG reporting requirements.

The City will provide assistance to awardee in two separate payments. Upon grant approval, the City will process for payment of 50% of the approved amount. After ninety (90) days from the date of the Grant Agreement, the applicant may request the remaining 50% of the grant amount. To be eligible for the second payment applicants must certify that they remain in business (the City will provide a certification letter template for the business owner to complete). In addition, for applicants that will be meeting the job retention requirement, the applicant may request the remaining 50% of the grant amount upon providing proof via payroll documentation for the ninety (90) day period that at least one eligible job has been retained. If the retained job pays less than \$49,300, no further documentation is required. If the retained job pays more than \$49,300 and is held by a member of a low to moderate income household, total household income for the employee must be provided.

Invoices will typically be paid within thirty (30) days following the City's final approval.

The City reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the City's best interest to do so. The City further reserves the right to establish the amount of grant funds awarded; raise the individual grant ceilings; and to award funds to other applicant(s) should funds become available due to de-obligation, etc.

IX. CONTACT FOR QUESTIONS

City of Hollywood Office of Communications, Marketing and Economic Development
Herb Conde-Parlato, Economic Development Manager
954-924-2922
hcp@hollywoodfl.org

X. OTHER TERMS

1. **PROGRAM MARKETING:** Program marketing will be conducted by the City. Examples of marketing include a press release posted to the City's website and social media platforms, distribution of information about the program to the Greater Hollywood Chamber of Commerce, Small Business Development Centers, and other local small business focused organizations.
2. **EQUAL OPPORTUNITY COMPLIANCE:** The program will be implemented in ways consistent with the City's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG program funds on the basis of his

or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

3. **APPLICANT CONFIDENTIALITY:** All personal and business financial information will be kept confidential to the extent permitted by law. Files submitted by applicants with personal and business confidential information will be securely stored.
4. **DISPUTE RESOLUTION/APPEALS PROCEDURE:** Applicants whose applications are not selected or deemed ineligible have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible applicants, appeal in writing to the Director of the City of Hollywood Office of Communications, Marketing and Economic Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Program Manager, or the appointed Designee, will review the content of the City's COVID-19 CDBG-CV and American Rescue Plan Act Small Business Assistance Grant Program Policy & Procedures, the applicant's application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.