SAMPLE GUIDELINES
for a
Bridgton CDBG-CV
SMALL BUSINESS RELIEF GRANT PROGRAM

All organizations interested in operating a small business assistance program using CDBG-CV funds are encouraged to reach out to Bridgton staff kdowns@bridgtonmaine.org– Bridgton hopes to align any small business assistance program with similar programs offered by other HUD entitlement jurisdictions and the State of Maine.

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1.0 INTRODUCTION

2020 SMALL BUSINESS RELIEF GRANT PROGRAM- In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, the Cumberland County is launching the 2020 Small Business Relief Grant Program in an effort to retain jobs and stabilize local businesses. The primary Community Development objectives of assistance to low- and moderate-income persons will be achieved as grants to retain jobs for County CCEJ residents.

This Program is a gap financing program in response to the Covid 19 outbreak for businesses that have lost business as a result of social distancing. It is also intended to support businesses that want to open new lines of business in response to the crisis, such as manufacturing medical supplies needed to respond to the disease or providing cleaning or in-home health services.

The Cumberland County Department of Community Development has modified existing economic development programs to create a combined funding mechanism that will serve businesses with up to seventy-five (50) employees at the time of application.

Initial applications will be accepted on a rolling bases.

2.0 PROGRAM REQUIREMENTS

2.1 Eligibility and Terms

Eligible businesses may be awarded up to $20,000 in grant funds through the Relief Program application process.

i. Eligibility

- For-profit business located in Cumberland County Entitlement Jurisdiction (CCEJ)
- Applicant is 51% + majority owner of business
- Owner/applicant is a qualified Low/Mod Income household (for businesses with no more than 5 employees) OR business commits to retaining FTE jobs held by a Low/Mod Income household
- Owner is 18 years or older
- Owner has or will have a valid SS #, EIN & DUNS, Business Bank Account
- Owner/Applicant is not currently in bankruptcy
- Owner/Applicant is current with property taxes and municipal fees, or has a payment plan in place with the municipality as of May 30, 2020
- Business will have active liability insurance within 30 days
- Satisfied deliverables of other County-based funding requests (as applicable)
- Not have a conflict of interest with Cumberland County, the Municipality, or the operating program agency

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ii. Terms

- Maximum request: $20,000
- Minimum request: $1,000
- Project report provided to County within 60 days of final fund draw down.

2.2 PROGRAM SERVICE AREA

Financing under this Program is available to eligible for-profit businesses registered and located within the Cumberland County Entitlement Jurisdictional boundaries. The location of the business will consider the place of business administration and registration address.

2.3 FUNDING SOURCE AND REIMBURSEMENT

The Relief Program is funded through Community Development Block Grant-CV (CDBG-CV) funds provided by the Federal Department of Housing and Urban Development (HUD) to the Cumberland Count. As such, these funds have Federal requirements, as described below.

Funds will be disbursed by reimbursement to the applicant for documented eligible project expenses, or paid directly to third party vendors for purchase orders.

2.4 ELIGIBLE APPLICANTS

- For-profit businesses with up to seventy-five employees at the time of application submission may apply, subject to restrictions set forth in 24 CFR 570.203 regarding Special Economic Development projects.
- Eligible applicants must have a registered business address in the Cumberland County Entitlement Jurisdictional boundaries.

2.5 INELIGIBLE APPLICANTS

- An ineligible existing business applicant is one that has a physical business location or registration outside of the Cumberland County jurisdictional boundary.
- Nonprofit organizations are not eligible businesses, and will not be considered for funding.
- Other ineligible businesses include payday grant businesses, liquor and tobacco stores, pawn shops, firearm or other weapons dealers, adult entertainment, passive real estate investments, or home-based businesses operating without appropriate zoning and/or permits.

2.6 ELIGIBLE USE OF FUNDS

The Cumberland County will review the project scope of work submitted in the application. Grants are restricted to certain eligible costs, especially those related to basic operating capital for leasing space, insurance and/or utilities, and staff salaries. As secondary requests, the County will also consider requests for inventory, supplies, furniture, software, construction costs less than $2000.

- Purchasing inventory, supplies, accounting and inventory software, furniture, fixtures, and equipment
- Rehabilitation of owner-occupied or leased space (maximum $2000 construction costs)
- Professional services including engineering, architectural, local permits or fees, business consulting services as approved by County staff
- Equipment purchase (with or without installation costs)
- Refinancing of existing business debt in conjunction with financing other eligible costs (<25% of request, prior County grants are not eligible for refinancing)

Marketing materials and advertising including website development and servicing

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2.7 INELIGIBLE USE OF FUNDS

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds under this Program may not be used to:

- 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.
- Purchase 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 personal items, or support other businesses in which the borrower may have an interest.
- Construction fees over $2,000

2.8 APPLICANT CAPACITY

The County must confirm that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the use CDBG funds. As such, grant applicants for the Relief Program are required to demonstrate management capacity and ability to successfully operate a business through their applications.

2.9 JOB RETENTION/CREATION

For the Relief Program, priority will be given to applicants that commit to retaining employees or jobs. Unless a business applicant's owner is a member of a low-/moderate-income household and the business qualifies as a HUD-defined microenterprise, then retention or creation of at least one job held by a low-/moderate-income household is required to access funds in this program. Job retention is defined as total full-time equivalent positions retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners. At least 51% of the positions retained or created must be held by employees who are a member of a low-/moderate-income household.

3.0 PROGRAM DETAILS

3.1 GENERAL CREDIT REQUIREMENTS

A. Outstanding Taxes, Fines and Fees

Outstanding debts from municipal citations, child support, taxes owed to federal and state agencies, and delinquent property taxes do not disqualify applicants, IF proof of formal payment arrangements is provided.

B. Traditional Credit

Applicants may elect to submit personal credit information if they feel it would strengthen their application.

3.2 OTHER REQUIREMENTS of HUD SOURCED GRANTS

Grant Applicants must:

- Not be listed on the Federal Debarred list (SAM Search)
- Provide a valid DUNS number and CAGE code
- Allow County to complete an Environmental Review (NEPA) before providing funds

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3.3 PROGRAM ADMINISTRATION

The County will:

- Originate Relief Grant funds
- Market the Relief Grant program and promote enrollment dates
- Accept and process applications
- Complete an Environmental Review
- Complete Income Eligibility qualification and document number of employees
- Collect third party documentation from applicant of job loss/business closure (if not for the grant assistance)
- Review and underwrite application requests
- Ensure timely disbursement of funds
- Maintain agreement documents and fiscal records
- Administer grants, and locally sourced funds used for this program
- Ensure compliance with program guidelines as they relate to the funding source
- Provide County, Economic Development Commission, Community Development Committee and relevant committees annual program updates

3.4 GRANT TERMS AND CONDITIONS

Financial assistance from the program is designed to keep businesses operational and retain jobs. Terms and conditions are determined by material submitted in the application

- Grant – the funding is in the form of a grant. Business must be able to provide evidence (in the form of payroll records) of job retentions for at least 6 months, otherwise the funds must be repaid to the Cumberland County. Additionally, the job retention performance deposit will not be returned.
- Allow County to collect certain income and demographic data from applicants and their employees.
- Allow the County to collect 3rd party documentation such as financial information that demonstrates that potential business closure or layoffs
- Amount – up to $5,000 of grant funds per 10 employees for a maximum grant award of $20,000. The grant funds are only available for jobs that will be retained or jobs created as a result of these funds.
- Non-refundable Application Fee – Application fee waived at this time.
- Job Retention or Creation Performance Deposit – A $100 deposit for each job that is anticipated to be retained or created is recorded in agreement. The funds will be withheld from the grant disbursement until the business provides evidence that they have met this requirement.

4.0 PROGRAM OPERATIONS AND GRANT PROCESSING

4.1 PROGRAM MARKETING AND OUTREACH

Program marketing will be conducted by the County and will affirmatively target women and minority-owned enterprises. Examples of marketing include media coverage with ads in local papers and distribution of marketing brochures to local chamber of commerce, and business networking organizations. Presentations may be scheduled for these groups as well as real estate groups, local commercial banks and other organizations. The local Small Business Development Center (SBDC) or other similar entity may be used as a referral agency.

4.2 EQUAL OPPORTUNITY COMPLIANCE

The Relief Grant Program will be implemented in ways consistent with the County'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

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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.

4.3 APPLICANT CONFIDENTIALITY

All personal and business financial information will be kept confidential to the extent permitted by law. Emergency Fund participant files with personal and business confidential information will be kept in locked, secured storage units.

4.4 DISPUTE RESOLUTION/APPEALS PROCEDURE

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the County, 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 County shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director Community Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the County's Small Business Relief Grant Program Guidelines, 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.

4.5 EXCEPTIONS / SPECIAL CIRCUMSTANCES

The County, however, reserves the right, at its sole discretion, to deviate from County-imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

4.6 GRANT CLOSING PROCESS

Upon successful completion of application process, County staff will prepare for the grant closing by preparing the grant closing documents. After closing, the applicant submits invoices to request reimbursement funds from the County. County staff will review invoice requests and initiate the reimbursement payment process. CDBG funds will only be disbursed for reimbursement to the borrower for documented eligible project expenses or may be paid directly to third party vendors for purchase orders.

4.7 APPLICATION REVIEW

Applications to the Relief Grant Program are presented by business owners/agents to County staff. Staff will review the applications and score them according to the scoring criteria. Top scoring applications will be recommended for approval, until all funding is exhausted. County staff will provide monthly updates with business names and recommended amounts to the Economic Development Commission or the Cumberland County. Applications may also be approved subject to emergency authority granted to the Mayor of the Cumberland County or the EDC.

Contracts for approved grant applications will be drafted by County staff and circulated for signatures to:

- Applicant
- Cumberland County – Mayor

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APPENDIX A

2019 HUD LOW/MOD INCOME HOUSEHOLD THRESHOLDS

2019-2020 HUD Low to Moderate Income Guidelines for Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Gorham, Gray, Long Island, North Yarmouth, Raymond, Scarborough, South Portland, Standish, Westbrook, Windham, and Yarmouth.

Number in Household	1	2	3	4	5	6	7	8
80% AMI	$52,100	$59,550	$67,000	$74,400	$80,400	$86,350	$92,300	$98,250
50% AMI	$32,550	$37,200	$41,850	$46,500	$50,250	$53,950	$57,700	$61,400
30% AMI	$19,550	$22,350	$25,150	$27,900	$30,150	$32,400	$34,600	$36,850

** New income guidelines are expected in June 2020. All CDBG recipients will be required to update any forms used to collect beneficiary information whenever new income guidelines are made available.

2019-2020 HUD Low to Moderate Income Guidelines for Baldwin, Bridgton, Harpswell, Harrison, Naples, New Gloucester, Pownal, and Sebago.

Number in Household	1	2	3	4	5	6	7	8
80% AMI	$41,450	$47,400	$53,300	$59,200	$63,950	$68,700	$73,450	$78,150
50% AMI	$25,900	$29,600	$33,300	$37,000	$40,000	$42,950	$45,900	$48,850
30% AMI	$15,500	$17,800	$20,000	$22,200	$24,000	$25,800	$27,550	$29,350

** New income guidelines are expected in June 2020. All CDBG recipients will be required to update any forms used to collect beneficiary information whenever new income guidelines are made available.

Please include the following sources of income from all adult members of the household for income calculations if applying as a business owned by a low-/moderate-income household:

- ❑ Salary/Wages
- ❑ Bonuses/Incentives
- ❑ Commissions/Tips
- ❑ Interest/Dividends
- ❑ Grant Repayments
- ❑ Unemployment Compensation
- ❑ Rent (As Landlord)
- ❑ Reverse Mortgage
- ❑ Court Settlement
- ❑ Self-Employment Draw
- ❑ Social Security Survivors
- ❑ Annuities
- ❑ Alimony
- ❑ Child Support
- ❑ 401(k)/403(b) Plans
- ❑ Disability/Long Term Insurance
- ❑ Social Security Disability
- ❑ Military Pension
- ❑ VA Disability Benefits
- ❑ Workers' Compensation
- ❑ Union Pension or Disability
- ❑ Deferred Compensation
- ❑ Pension/Profit-Sharing
- ❑ Other (specify):
- ❑ Social Security/Retirement
- ❑ Keogh/IRA Plans

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APPENDIX B

Helpful links

Federal EIN –
https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

Dun & Bradstreet- DUNS –
https://www.dnb.com/duns-number/get-a-duns.html

CAGE code-
https://www.sam.gov/SAM/

HUD Section 3 Registration-
Info: https://portalapps.hud.gov/Sec3BusReg/BRegistry/What
Register here: https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness

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