



CITY OF SOUTH GATE

SMALL BUSINESS JOB RETENTION AND CREATION GRANT PROGRAM

Eligibility Checklist

City of South Gate
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ABOUT THE SOUTH GATE SMALL BUSINESS JOB RETENTION AND CREATION GRANT PROGRAM

The City of South Gate's Small Business Job Retention and Creation Grant Program offers one-time \$10,000 grants to help 20 local small businesses retain staff and continue to provide quality services to the city's residents. The grant program is funded by a federal Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD), therefore businesses must meet all requirements to be eligible for the program. Applications will be considered based on needs. Please review all requirements below before submitting your grant application.

ELIGIBILITY REQUIREMENTS

Applicants must meet the following criteria to be eligible to apply:

- Business must be physically located within the city limits of the City of South Gate
- Business has a business license issued by the City of South Gate
- Business must be in good standing with the City of South Gate (i.e. no unresolved outstanding code violations)
- Business must employ less than 20 employees, including the owner(s)
- Business must have been opened since December 26, 2019
- Have or register for a DUNS Number (City Staff are available to assist. This is not needed to submit an application)
- Submit all required documents (See *Required Documents* Section on page 3)
- Meet **one** of the following criteria below:
 - ☐ The service activity of the business is primarily residential, where at least 51 percent of the residents are low-and-moderate (LMI) persons, and the business' services meet the needs of the service area residents. If the commercial district is composed of stores and businesses that serve local customers that meet the LMI then it qualifies (LMI Map is attached).
 - ☐ Currently employ and retain at least one low-and moderate-income (LMI) person or in the case of staff turnover, have the identified position filled by LMI person (see details below) **and** demonstrate that without grant assistance the job would be lost.

INELIGIBLE BUSINESSES

- Property management business.
- Businesses that are located in a census tract, block group that do not service LMI persons OR business that do not currently employ LMI Persons
- Due to federal funding restrictions, businesses that fall into the following categories: gaming, liquor or tobacco stores,

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marijuana dispensaries and manufacturing, and any business or activity that does not comply with local, state or federal laws.

ELIGIBLE USE OF FUNDS

Awarded funds are intended to help businesses retain staff and continue to provide quality services to the residents of South Gate. Use of funds is at the business owner's discretion. Below are some examples of eligible activities, please note this list is not meant to be exhaustive:

- Overhead expenses
- Rent and utilities
- Business services (web site development, etc.) to increase capacity to carry out business activities
- Labor expense (excluding the owner), business inventory and supplies
- Capital or equipment purchases necessary for the business operation, excluding vehicles

INELIGIBLE USE OF FUNDS

Funds may not be used for the following activities:

- Vehicle purchase
- Personal property or equipment
- Repayment or refinancing of existing debt or to pay operating deficits, tax arrearages, governmental fines or penalties or general government expenses
- Personal income
- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570

GRANT REQUIREMENT: MEETING A NATIONAL OBJECTIVE

All CDBG-funded activities must meet one of the CDBG program national objectives. The national objective for this program is to retain jobs for low- and moderate-income (LMI) persons. To be eligible for this grant, the business must meet at least one of the following criteria:

☐ **Low Mod Area Benefit (LMA)** – activities that benefit a residential neighborhood and all residents in an area where at least 51 percent of the residents are LMI persons. **City Staff can help determine if your business meets these criteria. Please see attached LMI Map to ensure your business is located within one of the eligible Census Tracts, City Staff**

☐ **Low Mod Job Retention (LMJ)** – activities designed to retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be held by LMI persons. If the commercial district is composed of stores and businesses that serve local customers that meet the LMI then it qualifies. **City Staff can help determine if your business meets these criteria.**

The applicant must satisfy the following LMI national objective requirements:

- LMI Information – provide documentation showing the jobs are held by LMI persons **OR** steps will be taken to ensure that jobs will be made available to LMI person during expected turn over within the following two years.
- A business meets the criteria for LMJ if they meet one of the following below:
 - Identified LMI staff reside in an eligible census tract with at least 70 percent LMI persons.

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- The business is in an eligible census tract (City staff can help verify, but requirements are listed below) and the job will be located within that same census tract.
 - Census tract must:
 - Have a poverty rate of at least 20 percent
 - Does not include part of a central business district (unless the Census tract has a poverty rate of at least 30 percent)
 - Evidences pervasive poverty and general distress as defined by the City.

ONGOING MONITORING

If awarded the grant, the business agrees to participate in ongoing federally required monitoring. The City may ask businesses to periodically submit documents that support the use of grant funds and reports on the impact grant funds have had on their businesses. Requested documents may include purchase receipts, employee payroll, lease agreement and receipts, etc.

REQUIRED DOCUMENTS

Applicants will be required to submit documentation to support all provided information. The list below identifies some of the required documents that will be requested during the eligibility review. **Applicant is not required to submit these documents at the time of submitting their application!**

- ☐ Completed application
- ☐ Quarterly Contribution Return and Report of Wages Form DE 9C
- ☐ [Form W-9 Request for Taxpayer Identification Number and Certification](#)
- ☐ Financial statements for the most recent six months
- ☐ Itemized details of how the funds will be spent with supporting documentation
- ☐ Self-certification forms from all employed staff to determine household income

QUESTIONS/CONCERNS

Please direct any questions to:

Dianne Guevara
Management Analyst
Phone: (323) 563-9535
Email: ecodev@sogate.org

PROGRAM TIMELINE

Grant applications will be released on Tuesday, May 19 at 9:00am and will be available on our website (www.cityofsouthgate.org/businessgrantprogram). We will also have copies available in front of City Hall. We will begin accepting applications on Tuesday, May 26th and the deadline to submit the application will be Thursday, May 28 at 5:00pm. All applications will be due by email (ecodev@sogate.org) or by dropping off a hard copy in the mailbox in front of City Hall.

RESERVED RIGHTS

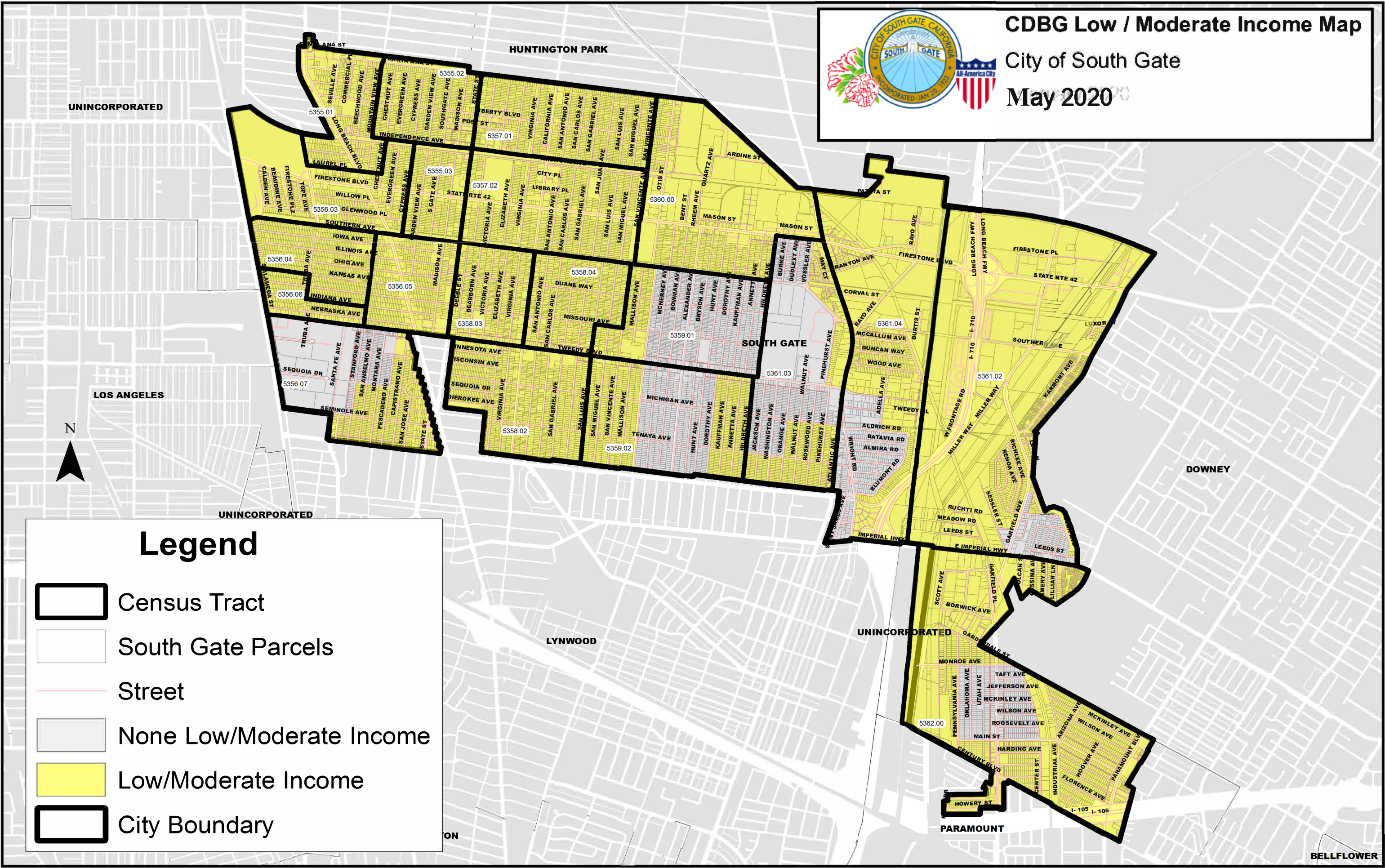
THE CITY OF SOUTH GATE HEREBY RESERVES, IN ITS SOLE DISCRETION, EXERCISABLE AT ANY TIME AND FROM TIME TO TIME, THE RIGHT TO AMEND, MODIFY, SUSPEND OR DISCONTINUE THIS SMALL BUSINESS JOB RETENTION AND CREATION GRANT PROGRAM AND ANY SUCH AMENDMENT, MODIFICATION, SUSPENSION OR DISCONTINUANCE WILL BE WITHOUT LIABILITY WHATSOEVER TO ANY APPLICANT HEREUNDER. NOTHING HEREIN CREATES OR IMPOSES ANY LEGAL OR EQUITABLE OBLIGATION OR COMMITMENT ON THE CITY OF SOUTH GATE TO OFFER OR MAKE ANY GRANTS TO ANY APPLICANTS UNDER THE SMALL BUSINESS JOB RETENTION AND CREATION GRANT PROGRAM.

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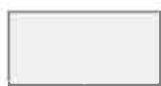




CDBG Low / Moderate Income Map

City of South Gate
May 2020



Legend

-  Census Tract
-  South Gate Parcels
-  Street
-  None Low/Moderate Income
-  Low/Moderate Income
-  City Boundary