



**CITY OF KENT
GUIDELINES AND APPLICATION
REQUIREMENTS
FOR
CDBG-CV SMALL BUSINESS COVID-19 RELIEF
GRANT PROGRAM**

After reviewing this packet, if you have any questions regarding the City of Kent CDBG-CV Small Business COVID-19 Relief Grant Program, please contact any of the following City of Kent Community Development Department staff members by calling 330-678-8108 or via email at:

suselb@kent-ohio.org, Bridget Susel, Community Development Director

petskok@kent-ohio.org, Kathy Petsko, Grants & Neighborhood Programs Coordinator

wilket@kent-ohio.org, Tom Wilke, Economic Development Director

INTRODUCTION

The City of Kent received a supplemental allocation of Community Development Block Grant (CDBG) funding in the amount of \$178,696 from the U.S. Department of Housing and Urban Development (HUD) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The additional funding to address the Corona Virus (CV) is to be used to support programs and activities that will assist low-to-moderate income persons who have been adversely affected by the COVID-19 pandemic.

A portion of the available funds has been allocated to the provision of needed supportive services, but in response to the economic challenges that many of the small businesses in the Kent community are currently experiencing as a direct result of the COVID-19 pandemic, the City has established the “CDBG-CV Small Business COVID-19 Relief Grant Program,” in an effort to assist with job retention efforts for small businesses that are owned by or which employ low-to-moderate income persons.

PROGRAM REQUIREMENTS

A. Eligibility

A small business will receive a grant award of up to \$7,000.00 through the “City of Kent CDBG-CV Small Business COVID-19 Relief Grant Program” if the business meets the following criteria:

- 1) For-profit business located within the jurisdictional boundaries of the City of Kent;
- 2) Owner/applicant is 51% or more majority owner of the business;
- 3) Owner/applicant is a qualified low-to-moderate income household and the business has no more than five (5) employees; **OR** the small business will commit to retaining full-time equivalent (FTE) low-to-moderate income jobs held by a low-to-moderate income person;
- 4) Owner /applicant is 18 years of age or older;
- 5) Owner/applicant has or will have a valid Social Security number (SSN), EIN & DUNS number, and a business bank account;
- 6) Owner/applicant is not currently in bankruptcy. Prior bankruptcy is not a factor for eligibility;
- 7) Owner/applicant is current with real property taxes and City of Kent income tax, or has a payment plan in place with the Portage County Treasurer’s office (real property taxes) or the City of Kent (income tax) as of July 15, 2020;
- 8) The business will have active liability insurance within 30 days and will maintain such insurance for a minimum of 6 months;

B. Terms

- 1) Maximum request amount is \$7,000.00. Amounts requested above the maximum will be considered on a case-by-case basis
- 2) Minimum request: \$2,000.00
- 3) Use of assistance and jobs report must be provided to the City of Kent before final grant fund draw request will be authorized.
- 4) Funds will be disbursed on a reimbursement basis only after providing documentation of eligible project expenses.

INELIGIBLE APPLICANTS

- 1) An ineligible existing business applicant is one that has a physical business location outside of the jurisdictional boundaries of the City of Kent.
- 2) Nonprofit organizations are not eligible businesses, and will not be considered for funding.
- 3) Other ineligible businesses include payday lending businesses, tobacco and/or vape 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.

PROGRAM SERVICE AREA

Assistance is available for small businesses located within the jurisdictional boundaries of the City of Kent. The physical location of the business will be considered the place of business administration and registration address for reporting purposes (no P.O. boxes).

ELIGIBLE USE OF FUNDS

The City of Kent Community Development Department will review the "Scope of Work" submitted as part of the application. Grants are restricted to certain eligible working capital and operating including, but not limited to:

- 1) Rent/leasing payments;
- 2) Insurance and/or utilities;
- 3) Short term inventory (i.e. cannot be reserved for use beyond the grant term);
- 4) Employee hourly wages/salary payments.

INELIGIBLE USE OF FUNDS

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds available cannot be used to:

- 1) Reimburse expenses incurred prior to Applicant approval of grant.
 - 2) Pay off non-business debt, such as personal credit cards for purchases not associated with
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the business.

- 3) Purchase personal expenses such as buying a new family car or making repairs to a participant's home.
- 4) Direct financing to political activities or paying off taxes and fines.
- 5) Purchase personal items, or support other businesses in which borrower has an interest.

APPLICANT CAPACITY

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

JOB RETENTION/CREATION

Applicants for the program will need to commit to retaining low-to-moderate income employees or jobs. Alternatively, the small business owner can qualify if he/she is a member of a low-to-moderate income household so the business will qualify as a HUD-defined microenterprise.

Job retention is defined as total full-time equivalent (FTE) 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.

GENERAL CREDIT REQUIREMENTS

1. Outstanding Taxes, Fines and Fees

Outstanding debts from 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.

2. Traditional Credit

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

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 City to complete an Environmental Review (NEPA) before providing funds
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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 or creations for at least 6 months, otherwise the funds must be repaid.
- Applicants must allow the City to collect certain income and demographic data from applicants and their employees.
- Allow the City to collect 3rd party documentation such as financial information that demonstrates potential business closure or layoffs
- Amount – up to \$7,000 of grant funds with a minimum of 1 FTE job retained. The grant funds are only available for jobs that will be retained or jobs created as a result of these funds.

EQUAL OPPORTUNITY COMPLIANCE

This program will be implemented in a manner that is consistent with the City's commitment to local, 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 race, color, religion, sex, familial status, national origin or ancestry, disability, military status, sexual orientation, or gender identity.

APPLICANT CONFIDENTIALITY

All personal and business financial information will be kept confidential to the extent permitted by law.

APPENDIX A

2020 HUD Low-to-Moderate Income Household Thresholds based on FY 2020 Akron, Ohio Metropolitan Statistical Area (MSA) Area Median Income (AMI).

Number in Household	1	2	3	4	5	6	7	8
80% AMI	\$42,750	\$48,850	\$54,950	\$61,050	\$65,950	\$70,850	\$75,750	\$80,600
50% AMI	\$26,750	\$30,550	\$34,350	\$38,150	\$41,250	\$44,300	\$47,350	\$50,400
30% AMI	\$16,050	\$18,350	\$21,720	\$26,200	\$30,680	\$35,160	\$39,640	\$44,120

The following are sources of income for any adult member when calculating household income:

3. Salary/Wages, including any Bonuses/Incentives
4. Commissions/Tips
5. Interest/Dividends/Annuities
6. Unemployment Compensation
7. Self-Employment Draw
8. Alimony
9. Child Support
10. Social Security/Retirement
11. Social Security/Disability
12. Social Security/Survivorship
13. 401(k) / 403 (b) Plans
14. Disability/Long Term Insurance
15. Pension/Profit Sharing, including Military
16. VA Disability Benefits
17. Workers' Compensation
18. Union Pension or Disability
19. Deferred Compensation
20. Rental Proceeds (as a landlord) or Reverse Mortgage (as a homeowner)
21. Court Settlement
22. Other (Needs Specified)

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](https://portalapps.hud.gov/Sec3BusReg/BRegistry/What)

[Register here: https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness](https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness)