



The City of La Verne Business Assistance Grant Program Guidelines (CDBG)

The City of La Verne's Business Assistance Grant offers one-time \$2,500 grants to eligible businesses to help them re-open, create jobs, retain jobs, and offer quality services to the residents of La Verne. Grant funds may be used for overhead expenses, rent, utilities, business services such as web site development to increase capacity, and necessary equipment to continue business operations, among others. Businesses are not expected to pay back grants, unless the requirements are not met. The program is funded through a grant from the U.S. Department of Housing and Urban Development as eligible under Sections 105(a)17 of the Housing and Community Development Act of 1974. Businesses must meet ALL requirements to be eligible for the program.

*If the required documentation is not provided on how the grant was spent (see section below "ELIGIBLE/INELIGIBLE USE OF FUNDS") repayment of the funds will be required.

*Only completed applications will be considered eligible. If the application is incomplete, the business will not be eligible to participate in the program.

BUSINESS ELIGIBILITY:

- Business must have a current business license in the City of La Verne
- Business must be physically located within La Verne city limits (home based businesses are not eligible to participate)
- Business must currently employ less than 75 employees, including the owner(s)
- The business has been operational at least one (1) year prior to March 1, 2020
- Submit all completed required documents electronically to businessassistance@cityoflaverne.org
- Currently, employ and retain at least one (1) low-and moderate-income (LMI) person or in the case of staff turnover, have the identified position filled by an LMI person (see details below) and demonstrate that without grant assistance the job would be lost.
- The business was determined non-essential and was forced to close/modify due to the County order (restaurants are now eligible)

ELIGIBLE USE OF FUNDS:

The use of funds is at the business owner's discretion, however, below are some examples of eligible activities:

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

Businesses are required to identify their intended use of funds during the application process. Program staff will follow up with the businesses and collect relevant documents that support appropriate use of grant funds.

INELIGIBLE USE OF FUNDS:

Funds may not be used for the following activities:

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

VERIFYING & DOCUMENTING ELIGIBILITY:

Staff shall review all applications for thoroughness and completion. Staff is responsible for making sure that all eligibility documents have been submitted by the business owner.

Meeting the LMJ National Objective:

Under the LMJ objective, activities are meant to retain jobs and/or benefit areas with low-and moderate income (LMI) persons. To be eligible for this grant, the business must create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) are to be made available to or held by LMI persons, or the identified LMI staff reside in an eligible census tract with at least 70 percent LMI persons.

LOW-MODERATE INCOME GUIDELINES For purposes of this application, “low-moderate income” persons and jobs are those whose household income is at or less than 80% of the Median Household Income for Los Angeles County, as defined under the CDBG 2020 Program Income Guidelines listed below:

Number of Persons In Household	Maximum Combined Household Income
1	\$63,100
2	\$72,100
3	\$81,100
4	\$90,100
5	\$97,350
6	\$104,550
7	\$111,750
8	\$118,950

SELECTION PROCESS:

The City will review all applications and determine them eligible or not. If the number of complete/eligible applications received exceeds the amount of available funding, the City will use a lottery process to select the businesses that will receive the grant.

AWARDING THE GRANT:

Upon verification of eligibility, the City will confirm the eligibility status with the business. The City will then provide the business with an agreement outlining the terms and conditions of the award. Upon receipt of a signed agreement the City will disburse the one-time grant in the amount of \$2,500.

MONITORING:

Staff is responsible for providing on-going monitoring to ensure that grant funds are used in the way they were intended. Staff will review the business’ application to identify how the business said they would use funds and will collect supporting documents on a quarterly basis, until the grant funds have been expended for approved purposes. If a business finds it necessary to change their intended use of the funds, they must notify the City in writing with at least five (5) days in advance (before the money is used). Although this list is not intended to be exhaustive, supporting documents may include:

- Lease agreement and rent receipts
- Invoices
- Payroll documents

All collected documents will be placed in a business's program file.

***If required back-up documentation is NOT provided to the City each quarter, until the money is fully spent, repayment of the full grant amount will be required.

REPORTING:

Staff is required to compile and submit quarterly status reports to be included in the City's quarterly performance reports to LACDCA.