

**SOUTH EL MONTE  
COVID ASSISTANCE SMALL BUSINESS GRANT PROGRAM  
ELIGIBILITY REQUIREMENTS**

**Purpose:**

The COVID-19 South El Monte Emergency Small Business Grant Program (Program) provides emergency grants to South El Monte-based businesses that have been impacted by the COVID-19 pandemic, the Governor of California’s Executive Order N-33-20, and/or the Los Angeles County Public Health Officer’s “Safer at Home” Order. Due to the pandemic and various State and County orders, restaurants are not allowed to have dine-in service, which means that take-out, delivery, and drive-thru are the only options for restaurants. This has caused a massive decline in business for South El Monte restaurants, which has resulted in businesses laying off or requiring a furlough of employees such as servers, cooks, hosts, and dishwashers, many of whom are low- to moderate-income persons, as defined by HUD.

Furthermore, the various State and County orders have closed many other businesses, such as bars and nightclubs, movie theaters, gyms, breweries and wineries, car washes, personal grooming businesses (barbers, nail salons, hairdressers), clothing stores, and all other retail businesses that are not considered an “essential business”.

Consequently, many businesses are unable to pay employees, are unable to pay their commercial rent, and will not have enough cash-flow when the health order is lifted to be able to re-stock, re-supply, and re-staff their businesses. It is in the best interest of the City to develop a Small Business Assistance Program to help businesses retain employees to prevent these employees from losing their income and possibly even losing their housing. It is also in the City’s best interest to ensure that commercial rents are being paid to landlords so landlords do not default on their mortgage, which would place additional pressures on the business tenant. Lastly, when the restrictions are lifted, the City will want to see all businesses reopen, but many will require an infusion of capital to re-open, re-supply, and re-staff.

Due to these conditions, the City of South El Monte proposes to use CDBG funds to develop an Emergency Small Business Grant Program that can issue cash grants, rather than loans, of up to \$5,000 per business, to South El Monte businesses impacted by COVID-19.

**Eligible Activities:**

Small Business Grant Assistance can be provided under the following Eligible Activity categories as defined by HUD: Microenterprise assistance (24 CFR 570.201(o)(1)(i))

**Requirements for Microenterprise Assistance:**

To be eligible, the business must be a microenterprise that meets both of the following criteria:

Business must have five or fewer employees, including the owner; and Business owner must have a household income at or below 80% of the Area Median Income (AMI) for Los Angeles County.

*The program will collect income and employee information as of now, not as it was prior to COVID19 pandemic. For example, the business may have had six employees, but laid off 3 and now may qualify as a microenterprise, as long as the owner’s income is at or below 80% AMI, as defined below.*

For purposes of this application, an eligible business owner must be a lower income household whose 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:

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

A certification form will be created for the business owner to complete and sign and will include the following:

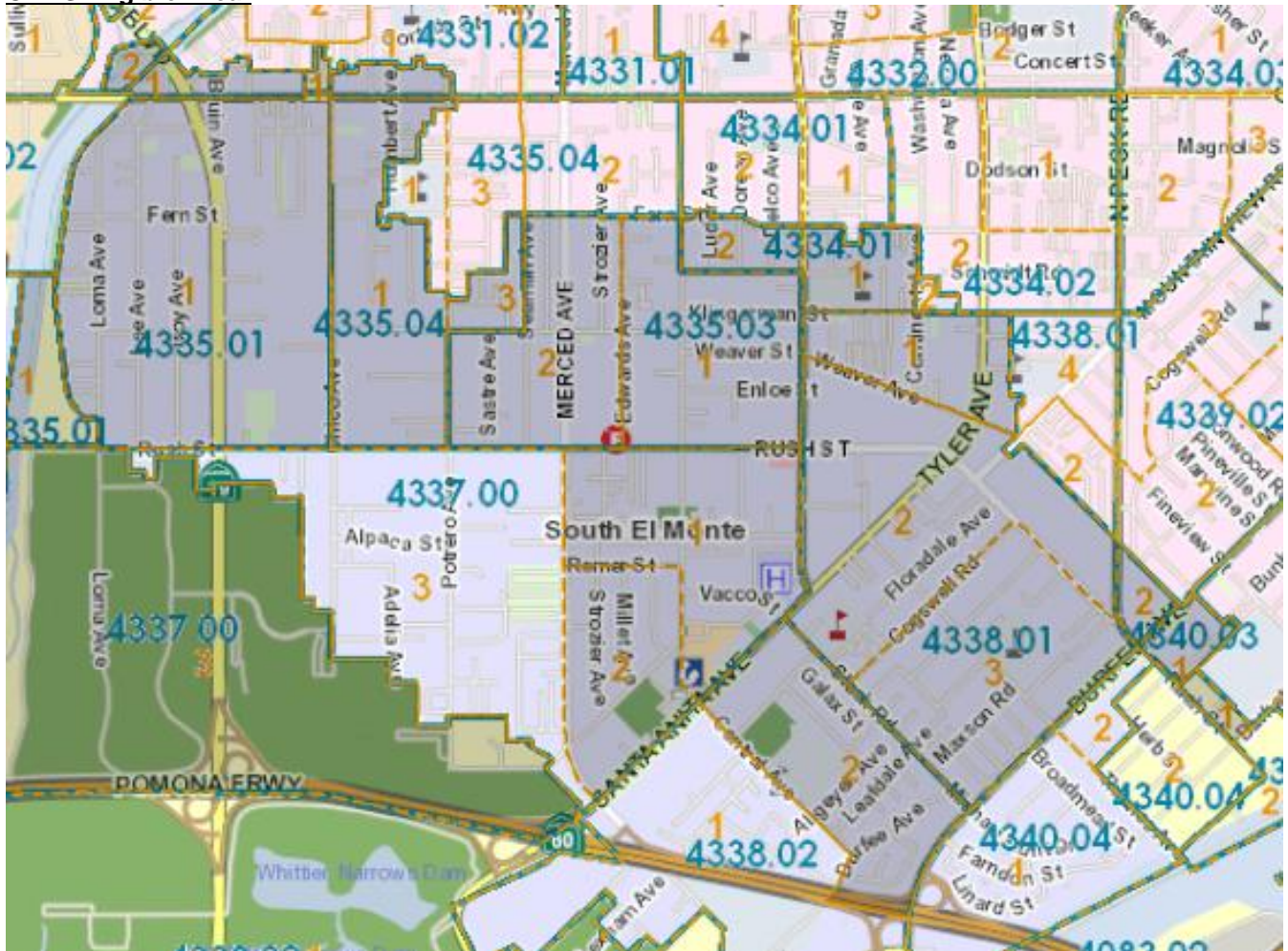
- Owner contact information
- Number of persons in the owner's household
- Owner's annual income
- Demographic information about the owner
- List of employee positions, whether they are full or part time, vacant or filled, and benefits provided

**Eligible Businesses:**

Applicants must be eligible as a microenterprise and meet all of the following eligibility criteria:

- Business is a commercial business (*following is an exhaustive list of eligible commercial business types*):
  - Retail food and beverage service such as restaurants, coffee shops, bakeries, etc.
  - Grooming business such as salons, barbershops, etc.
  - Retail health and fitness business such as gyms, day spas, fitness studios, etc.
  - Retail and commercial stores selling consumer goods, electronics and appliances, health and sporting goods, furniture, clothing and shoes, kitchen equipment, books and entertainment, music and audio/visual equipment, etc.
- Business is located in the City of South El Monte (CDBG Eligible Area – see below)
- Business is impacted by COVID-19 (*following are examples of impacts*):
  - Required to close as non-essential
  - Reduced business activity due to Safer at Home order and social distancing
  - Layoff or furlough of employees

**CDBG Eligible Area:**



Census Tract 4331.02 Block Group #1  
Census Tract 4334.01 Block Group #1 & #2  
Census Tract 4334.02 Block Group #2  
Census Tract 4335.01 Block Group #1  
Census Tract 4335.03 Block Group #1 & #2  
Census Tract 4335.04 Block Group #1 & #3  
Census Tract 4337.00 Block Group #1 & #2  
Census Tract 4338.01 Block Group #1 & #2 & #3  
Census Tract 4338.02 Block Group #2  
Census Tract 4339.02 Block Group #2  
Census Tract 4340.03 Block Group #1

**Disqualifying Criteria:** Any of the following events or actions will disqualify the owner of a business from consideration for grant funding:

- Poor Credit History
- Bankruptcy in the last 5 years
- South El Monte Code Enforcement violations

### **CHECKLIST, ATTACHMENTS AND FORMS**

Program Application  
Grant Agreement  
Income Documentation Matrix  
Project Underwriting Form  
Job Creation/Retention Certification  
Microenterprise Self-certification form  
Business Recovery Plan (Business Owner to provide)  
Commercial Lease Agreement (Business Owner to provide)  
W-9 (Business and Landlord)