



City Of Anacortes

PLANNING, COMMUNITY & ECONOMIC DEVELOPMENT  
DEPARTMENT

SMALL BUSINESS STABILIZATION GRANT PROGRAM  
INSTRUCTIONS/GUIDELINE

## INTRODUCTION

### **RETAIN THIS DOCUMENT FOR FUTURE REFERENCE**

2020 SMALL BUSINESS STABILIZATION GRANT PROGRAM- In response to the economic hardships experienced by small businesses caused by the COVID-19 pandemic, the City of Anacortes is launching the 2020 Small Business Stabilization Grant Program in an effort to retain jobs and stabilize local businesses. The Stabilization Program is funded through the Community Development Block Grant (CDBG) funds provided by the Federal Department of Housing and Urban Development (HUD). The primary Community Development objective of assistance to low- and moderate-income persons will retain jobs for City businesses.

This Program will provide financing in response to the COVID-19 pandemic for businesses that have lost business and risk closure as a result of social distancing.

The City of Anacortes Department of Planning, Community and Economic Development is utilizing federal funding through the Community Development Block Grant program to provide grants that will serve businesses with up to thirty (30) employees at the time of application. Grants provided will be a maximum of \$10,000 per business. Businesses must have been open for business during calendar year 2019 or earlier.

**Initial applications will be accepted until May 29, 2020 at 4 p.m.**

## PROGRAM REQUIREMENTS

### Eligibility and Terms

Eligible businesses may be awarded up to \$10,000 in grant funds through the Stabilization Program application process. *For-profit businesses with up to 30 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 APPLANTS

- For-profit business located in City of Anacortes
- Employs a maximum of 30 employees (including owner if working in establishment)
- Business open in 2019 or earlier
- Applicant is 51% + majority owner of business
- Owner/applicant has 51% of total workforce (including owner if owner works at business) that qualify as low to moderately low income
- Owner is 18 years or older
- Owner has or will have a valid SS #, EIN & City business license and Business Bank Account
- Owner/Applicant is not currently in bankruptcy
- Owner/Applicant is current with property taxes and City fees, or has a payment plan in place with County and/or City as of March 30, 2020
- Business will have active liability insurance within 30 days
- Not have a conflict of interest with the City of Anacortes

## INELIGIBLE APPLICANTS

- An ineligible existing business applicant is one that has a physical business location or registration outside of the City of Anacortes 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.**

## TERMS

- Meet Eligibility Requirements
- Maximum request: \$10,000
- Project report provided to City within 60 days of final fund draw down
- Fees – No application fees required.

## PROGRAM SERVICE AREA

Financing under this Program is available to eligible for-profit businesses registered and located within the City of Anacortes jurisdictional boundaries.

## FUNDING SOURCE AND REIMBURSEMENT

The Stabilization Program is funded through Community Development Block Grant (CDBG) funds provided by the Federal Department of Housing and Urban Development (HUD) to the City of Anacortes. As such, these funds have Federal requirements, as described below. Staff is unable to waive any of the federal requirements. **Applications will be accepted until May 29, 2020 at 4pm.**

Funds will be disbursed by [reimbursement](#) to the applicant for documented eligible project expenses.

## ELIGIBLE USE OF FUNDS

The City of Anacortes Planning, Community and Economic Development Department 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 City will also consider requests for inventory, supplies, furniture, software, that will assist the business comply with social distancing requirements if applicable.

- Payroll, payroll taxes
- Lease
- Utility payments
- Business monthly debt payments
- Rehabilitation of business space to comply with social distancing requirements
- Purchasing inventory, supplies, accounting and inventory software, furniture, fixtures, and equipment
- Cost of goods

## 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.
- New Construction
- Real Estate Purchase

## APPLICANT CAPACITY

The City 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 Stabilization Program are required to demonstrate management capacity and ability to successfully operate a business through their applications.

## JOB RETENTION/CREATION

For the Stabilization Program, priority will be given to applicants that commit to retaining employees or jobs. 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.

If an employee was laid off and will be rehired or a new hire to fill the position, that is considered job creation. If that employee's hours were reduced from full time to less, and the employee is moved back to a full time position, that is considered job creation. An employee that remained in the same capacity of employment as before the pandemic is considered job retention. At least 51% of the positions retained or created must be held by employees who are a member of a low-/moderate-income household.

Applicants will be required to certify and provide proof of employee family income to establish low to moderately low income qualification. Forms are included to determine family income qualification.

## PROGRAM DETAILS

### GENERAL CREDIT REQUIREMENTS

#### *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.

#### *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:

- Allow City to complete an Environmental Review (NEPA) before providing funds
- A contract be fully agreed and signed between the City and the applicant prior to providing funding
- 6 month follow up to insure compliance and stability

## PROGRAM ADMINISTRATION

The City will:

- Originate Stabilization Grant funds
- Market the Stabilization 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)
- 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 Mayor, City Council, and relevant committees annual program updates

## 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. If unable to accomplish this, the funds must be repaid to the City of Anacortes.**
- Allow City to collect certain income and demographic data from applicants and their employees.
- Allow the City to collect 3<sup>rd</sup> party documentation such as financial information that demonstrates that potential business closure or layoffs
- Amount – up to a maximum amount of \$10,000 per business. These funds are only available to for profit businesses that will retain jobs.
- Job Retention or Creation Performance – business must demonstrate that jobs were retained or created through the use of this funding. Approximately 6 months after receipt of funding, applicant will submit an update to the City outlining the jobs retained and current business disposition.

## PROGRAM OPERATIONS AND GRANT PROCESSING

The Stabilization Grant Program will be implemented in ways consistent with the City'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 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.

#### **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.

#### **EXCEPTIONS / SPECIAL CIRCUMSTANCES**

This funding is a federal government grant administered by HUD that has specific regulations that must be met in order to qualify as a recipient. There are no exceptions or special circumstances that would allow the City to provide funding without complete compliance with the regulations established by HUD and the federal government.

#### **APPLICATION REVIEW**

Staff will review the applications to ensure eligibility with HUD/CDBG regulations. Those applications meeting HUD/CDBG requirements will then be reviewed by the Citizen Review Committee for scoring and recommended for approval until all funding is exhausted. Approved applicants will be notified immediately upon final decision of their application.

**If the initial review finds that the application is incomplete, applicant will be given the opportunity to provide further information to complete the applications. The applicant will have 2 weeks once contacted by City staff to provide the required information. After that, the application will be deemed inapplicable for funding.**

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

- Applicant
- City of Anacortes – Mayor

**2020 AREA MEDIAN INCOME & ELIGILITY – MOUNT VERNON/ANACORTES  
AREA MEDIAN INCOME (AMI) – FAMILY OF 4 = \$78,400**

Income Category	1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
Extremely Low Income – ≤30% AMI	\$16,450	\$18,800	\$21,720	\$26,200	\$30,680	\$35,160	\$39,640	\$44,120
Low -31%-50%	\$27,450	\$31,400	\$35,300	\$39,200	\$42,350	\$45,500	\$48,650	\$51,570
Moderate 51%- 80%	\$43,900	\$50,200	\$56,450	\$62,700	\$67,750	\$72,750	\$77,750	\$82,800

**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:**

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



**EMPLOYEE INCOME CERTIFICATION JOB RETENTION  
INTAKE FORM**

DATE: \_\_\_\_\_

EMPLOYEE: \_\_\_\_\_

JOB TITLE: \_\_\_\_\_

Please provide the information requested on this form so that we can verify to the City of Anacortes CDBG Manager that your employment here is achieving the goals of the COVID19 Small Business Stabilization Grant Program. The information will be kept **confidential** and will be available only to a limited number of city personnel and representatives of the United State Department of Housing & Community Development (HUD). This information is required in order for the business to qualify for the federal grant assistance.

Thank you.

**STEP 1:** CIRCLE THE SIZE OF YOUR FAMILY AND FAMILY INCOME. COUNT YOURSELF AND ALL FAMILY MEMBERS LIVING AT HOME.

CIRCLE FAMILY SIZE

CIRCLE INCOME

Income Category	1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
Extremely Low Income – ≤30% AMI	\$16,450	\$18,800	\$21,720	\$26,200	\$30,680	\$35,160	\$39,640	\$44,120
Low -31%-50%	\$27,450	\$31,400	\$35,300	\$39,200	\$42,350	\$45,500	\$48,650	\$51,570
Moderate 51%- 80%	\$43,900	\$50,200	\$56,450	\$62,700	\$67,750	\$72,750	\$77,750	\$82,800

**STEP 2:** Please circle ABOVE or BELOW TO THE FOLLOWING QUESTION: CURRENT EMPLOYMENT, WAS YOUR FAMILY'S TOTAL ANNUAL INCOME **ABOVE** OR **BELOW** THE AMOUNT FOR YOUR FAMILY SIZE AS STATED ABOVE?

**STEP 3:** A. PLEASE INDICATE YOUR RACIAL GROUP

<b>Ethnic Category</b>	<b>Total Persons</b>	<b>#Also Hispanic</b>
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native and White		
Asian and White		
Black/African American and White		
American Indian/Alaskan Native and Black/African American		
Other Individuals Reporting more than One Race		

B. SEX: \_\_\_\_\_ MALE \_\_\_\_\_ FEMALE

C. ARE YOU A FEMALE HEAD OF HOUSEHOLD? \_\_\_\_\_ Yes; \_\_\_\_\_ No

D. ARE YOU A PERSON WITH A DISABILITY? \_\_\_\_\_ Yes; \_\_\_\_\_ No

**STEP 4:** PLEASE COMPLETE.

NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

THANK YOU FOR YOUR HELP!