

Tustin Cares Program

COVID-19 Related

Small Business Recovery Grant Program

Program Guidelines



Program Overview

About the Program

As part of the Tustin Cares program, the City of Tustin has created a Small Business Recovery Grant Program, which will provide funding to small businesses needing financial assistance in overcoming the temporary loss of revenue due to the COVID-19 pandemic. All eligible businesses are invited to apply. Businesses which have previously received alternative sources of funding such as the Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP) Loan are eligible to apply. The program is based on the availability of funds, program guidelines and submission of all required information and supporting documentation. Small businesses with a minimum of one (1) employee – not including the owner, and a maximum of twenty-five (25) employees (full or full-time equivalent combination) may be eligible to receive a working capital grant of up to ten thousand dollars (\$10,000). The grant may be used for working capital to cover the day-to-day business operating expenses such as rent/lease payments, mortgage payments, payroll and benefit costs, utility expenses, inventory, Personal Protection Equipment (PPE) or other similar expenses that occur in the ordinary course of operations.

Funding Availability

In May 2021 the U.S. Department of Treasury allocated funds from the American Rescue Plan Act of 2021 (ARPA) to the City of Tustin for COVID-19 response, relief and reinvestment. The City is allocating up to two million dollars (\$2,000,000) for the Tustin Cares Small Business Recovery Grant Program. These funds are to be used to mitigate financial hardship caused by declines in revenues due to the COVID-19 public health emergency.

The City's Economic Development Department will be responsible for oversight of the Tustin Small Business Recovery Grant Program and disbursement of funds will take place through the City's Finance Department. The City's Program Partner, the Orange County/Inland Empire Small Business Development Center (OCIE SBDC) will be responsible for program administration, marketing, application processing, underwriting and for review and approval of financial and business documentation for disbursement approval. City staff is obligated to fulfill the terms and conditions of the funds as established by the City Council, these program guidelines, and Federal, State, and local rules and regulations.

City Reserved Rights

The City reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to modify the application deadlines; (4) to request additional information of the applicants as deemed necessary and appropriate by the City; (5) to conduct further due diligence with applicants or any third party; (6) to modify the City's objectives or the scope of the program; (7) to modify program requirements, general terms and conditions, or eligible activities; and/or (8) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

Eligibility

To be eligible to apply for the Tustin Small Business Recovery Grant Program, a business must meet certain criteria that has been established by the City of Tustin and the guidelines set forth by the U.S. Department of Treasury for utilizing ARPA funds. The business must also demonstrate the need for financial support resulting from the temporary loss of revenue due to the impact of COVID-19.

General Terms and Conditions

The business applicant must meet the following minimum requirements to be considered for grant funding:

- The business must be a for-profit business and physically located in Tustin;
- The business must be located in a commercial or industrial space;
- Residential or real estate projects including short-term rental operators are not eligible;
- The business must have an active Tustin business license since January 1, 2019;
- As of July 1, 2021, the business must have at least one employee – not including the owner – and no more than twenty-five (25) full-time equivalent employees (two part-time employees equal one full-time employee);
- The business must be in good standing with the City (current on bills, no liens or judgements, etc.), unless directly correlated to COVID-19 impacts;
- The business must submit the application and all required supporting documentation; and
- The business applicant must be able to document that it experienced financial hardship causing business interruption due to COVID-19. For example, total revenue from the 2020 calendar year was down in comparison to revenue from the 2019 calendar year.
- The amount requested (\$10,000) cannot exceed the amount of lost revenue.

* City employees and elected and appointed officials are not eligible to participate in this program.

Eligible Activities

Eligible activities for the use of funds should be used to cover fixed expenses for the business. The primary fixed expenses include such items as rent or mortgage expense, utilities, inventory, payroll and benefit costs, PPE, or other operational expenses for the business. Applicants will fill out a use of funds section of the application form that will breakdown how the funds will be spent within their business. Each applicant will need to sign and verify that the use of funds will be spent on business expenses, such as those expressed above. Any use of funding other than that to support the business is strictly prohibited.

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency and they were incurred during the period that begins on March 3, 2021 and ends on December 31, 2021. In the event a business does not expend the funds in the manner consistent with the “Spending Plan” as outlined in the application or does not expend the entire grant amount, the business will be required to submit a report to the

City no later than January 31, 2022, identifying how the funds were spent. If there is a remaining balance, the business will be required to return the funds to the City by January 31, 2022.

The following is a nonexclusive list of expenditures that shall not constitute Eligible Expenses payable from the grant amount:

- (1) Damages covered by insurance.
- (2) Expenses that have been or will be reimbursed or recovered through other funding programs, such as the reimbursement by the federal government pursuant to the CARES Act or contributions by States to State unemployment funds.
- (3) Reimbursement to donors for donated items or services.
- (4) Workforce bonuses other than hazard pay or overtime.
- (6) Severance pay.
- (6) Legal expenses or settlements.

Equal Opportunity Policy

The City of Tustin and the OCIE SBDC shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin, marital status, ancestry or physical handicap in accepting applications and processing program application.

Application Process

Application

The Tustin Small Business Recovery Grant Program application includes information about the small business, the number of employees in the business, location of the business, amount of time in business and a Grant Spending Plan for the period of March 3, 2021 through December 31, 2021. The application and Grant Agreement will require the following Attestations:

- The business experienced a loss in revenue when comparing total revenue from calendar year 2020 to total revenue from calendar year 2019.
- As of July 1, 2021, the business has a minimum of at least one employee – not including the owner- and does not exceed a maximum of twenty-five (25) full or full-time equivalent employees (two part-time employees equal one full-time employee).
- Spending Plan and Certification that funds will be spent by December 31, 2021.
- Certification that the business is able to produce financial records to show the economic losses, if requested.
- Certification that financial loss and grant amount spending records will be available for audit when requested. The business must maintain records for at least 6 years.

Application Period

The business grant application will be available at **9:00 am on Monday, August 23, 2021**. Applicants must apply for the grant program by visiting www.tustinca.org/businessgrant and submitting the application online.

Applications must be submitted online and will be accepted from **9:00 am, Monday, August 23, 2021 to 5:00 pm, Friday, September 3, 2021**. The applications period will close promptly at 5 pm on September 3, 2021. Applications received online after this due date and time will be considered late and will not be accepted.

The City will disburse the \$2,000,000 in two (2) rounds of \$1,000,000, equaling 100 grants each round. The City anticipates the number of applications will exceed the amount of funding available for disbursement. As a result, the City will implement a lottery system for all eligible small businesses. Once applications have been pre-approved, they will be assigned a number and entered into a lottery for selection. The first 100 businesses selected will be **notified beginning September 10, 2021** and will then be asked to submit all required business and financial documentation for review and verification. The second 100 businesses selected will be **notified beginning October 1, 2021**.

Documentation Requirements

Upon pre-approval and selection for funding, the first 100 businesses will be required to submit the following documents by **September 20, 2021** for review and verification in order to receive the grant:

- The most recent monthly bank statement; and
- Current City of Tustin Business License.

In addition, OCIE SBDC will provide the selected businesses with the following documents to complete and submit by **September 20, 2021**:

- W-9;
- Direct Deposit Form (includes voided check which matches account and routing numbers listed on Direct Deposit Form. Grant funds are directly deposited into your account);
- Check Request Form; and
- A signed Tustin Small Business Grant Agreement, which includes business impact statement and self-certification.

Although selection is not guaranteed, businesses should begin to collect the required documentation in order to expedite the approval process in the event they are selected.

Upon pre- approval and selection for funding, the second 100 businesses will be required to submit these same documents by **October 11, 2021**.

Grant Review and Approval Process

Review

The application will be reviewed by the OCIE SBDC to determine application completeness and preliminary eligibility. **The application must be complete by the application submittal deadline date of September 3, 2021, 5:00 pm.**

Lottery

The City of Tustin is expecting the Small Business Recovery Grant Program to have an overwhelming number of applications. If the number of applications far exceeds the amount of funding that is available for disbursement, the City will implement a lottery system for all eligible small businesses. Once applications and eligibility have been approved, they will be assigned a number and entered into a lottery. The first 100 potential grant recipients will be contacted by email, phone and/or letter **starting September 10, 2021**. The second 100 potential grant recipients will be contacted by email, phone and/or letter **starting October 1, 2021**.

Verification and Eligibility Determination

Upon pre-approval and selection, the OCIE SBDC shall request the applicant submit all required documentation for review and verification for grant approval. OCIE SBDC will assign a consultant to work with each individual grantee to assist with completing all required documentation. Grantees documentation will be submitted directly to OCIE SBDC on a secured site. If the grant request meets the criteria for program funding, all required documentation **must be submitted by September 20, 2021 by 5:00 pm to remain eligible**.

Grant Disbursement

As each business recipient submits a complete set of required documentation, it will be reviewed and verified, and funds will be disbursed to the individual business. The City will award grant funds in a single disbursement. **All grant funds shall be expended on eligible expenses by no later than December 31, 2021**. Any portion of the grant funds not expended on eligible expenses shall be returned to the City by no later than January 31, 2022

Grant Report

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency and they were incurred during the period that begins on March 3, 2021 and ends on December 31, 2021. In the event a business does not expend the entire grant amount, the business will be required to return the remaining balance by January 31, 2022.

The business recipient shall keep documentation evidencing use of the Grant Funds. The City may request to evaluate the business's compliance with the Grant program. If it is determined the business did not expend the funds consistent with the Eligible Activities, it may constitute an Event of Default under the Grant Agreement.

Post Grant Follow Up

The OCIE SBDC will continue to work one-on-one with each grantee, throughout the next twelve (12) months. If contacted by the City or OCIE SBDC, all awardees will be required to update the City on their business and if additional employees have been hired or employees retained. A twelve-month report will be created by the OCIE SBDC and the City of Tustin, to document the success of the program. By acceptance of the grant, the business agrees to comply with City information requests that may include use of photos or business logos.

Program Complaint and Appeal Process

Complaints concerning the Tustin Small Business Recovery Grant Program should be made to the City of Tustin Economic Development Department. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City Manager's Office.

Contact Information

For additional information regarding the Small Business Recovery Grant Program, please contact the following:

City of Tustin
Economic Development Department
300 Centennial Way
Tustin, CA 92780
(714) 573-3117
TustinEconDevDept@tustinca.org

For questions about the guidelines and application or assistance in completing the application and to set up a one-on-one consultation (at no cost), please contact the OCIE SBDC at:

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