



OC SMALL BUSINESS RELIEF PROGRAM UNINCORPORATED GRANTS

I. Overview

In order to support small businesses facing financial impacts from the COVID-19 pandemic, Orange County Community Resources (OCCR), Housing and Community Development Department (HCD) will administer \$341,402 in CARES - Act funding. Grants up to \$10,000 per small business of federal Community Development Block Grant-CARES (CDBG-CV) funding, provided by the U.S. Department of Housing and Urban Development (HUD), will be made available. An award of this funding is considered taxable income.

The OC Small Business Relief Program addresses health, safety and emergency related issues associated with prevention, preparation, and response to economic and industry specific disruptions due to COVID-19. The **OCCR/HCD OC Small Business Relief Program: Unincorporated Grants** shall assist local small businesses in unincorporated areas of Orange County with funding to mitigate economic losses due to the Coronavirus pandemic, sustain workforce levels and promote economic recovery from pandemic related matters. Businesses must demonstrate there is sufficient public benefit derived from the provision of assistance to stabilize or sustain businesses that suffer disruption due to coronavirus, and that facilitation of business assistance for this purpose may help to avoid complete economic collapse.

IMPORTANT NOTES:

- A. **The Supplemental Application “MUST” be attached to the main application, or the application is incomplete and ineligible.**
- B. Only one application per business, site or location is allowed. If more than one application is received for a business, others received after the first application will be disqualified.
- C. Small businesses in the unincorporated areas who have applied for existing County COVID-related grant programs and have not received funding, may be prioritized for award of CBDG-CV small business relief funds. However, a complete OC Small Business Relief Application, Supplemental Application and all required back up documentation and receipts will need to be submitted, to be considered.
- D. Completed program applications will be reviewed for completeness and eligibility, and then will be considered for possible approval on a first-come, first-served basis, until all available funds have been committed. The OC Small Business Relief Program Application period opens on November 9, 2020 at 9:00 A.M. Pacific Standard Time (PST) and will close November 23, 2020 at 5:00 P.M. PST, or until 350 online applications are received. If there are not enough eligible Applications received by the deadline, the deadline may be extended by the County.
- E. Funding will be provided on a reimbursement basis; therefore, adequate documentation will be required to substantiate allowable costs incurred and paid by eligible small businesses.

- F. Costs incurred between January 21, 2020 and November 8, 2020, that prevent, prepare for, and respond to the COVID-19 coronavirus can be reimbursed.
- G. An award of a grant from the OC Small Business Relief Program is subject to the public record and public disclosure.
- H. CDBG-CV funds are subject to monitoring, audits, and other reviews of program activities for up to one year after award of funds.
- I. Duplication of benefits is not permitted.
 - 1. Federal disaster law prohibits the provision of federal assistance in excess of need, meaning that costs reimbursed under the OC Small Business Relief Program must not have been, and will not be, paid by another source of any kind (e.g. federal, state, local government, insurance, or other source).
 - 2. HUD grantees are required to prevent the duplication of benefits when carrying out HUD-funded programs to provide disaster assistance.
 - 3. Assistance is not prohibited to meet needs that remain after considering other federal, state, local or philanthropic financial assistance. Private, unsubsidized loans generally are not considered a duplication of benefits. In some cases, subsidized loans do not cause a duplication, if all assistance is used for disaster-related needs.
 - 4. **NOTE: Applicants should be aware that other CARES Act assistance through SBA, FEMA, IRS, Treasury, USDA, HHS and WIOA would likely lead to a prohibited Duplication of Benefits.**
- J. Businesses may not use this funding opportunity to operate in violation of the COVID-19 Stay-at Home Order, during the duration of the California Governors Orders N-33-20.

II. Small Business/Owner Eligibility Requirements

Small Businesses must meet the following general criteria to be considered for County funding:

- A. Must be a for-profit business located in unincorporated areas of Orange County; To verify that your business is in an Unincorporated area of Orange County, visit <https://www.ocgis.com/ocpw/landrecords/> and follow the steps below:
 - 1. Click on Link
 - 2. Click on MAP Layers two times
 - 3. Click on + sign in pop-up screen on first heading Map Layers
 - 4. Click on District
 - 5. Click Supervisorial
 - 6. Click on Quick Search Button at top
 - 7. Type in address and select
 - 8. Your District is shown
 - 9. Zoom out to verify you are in an Unincorporated area of Orange County
CA
- C. Must employ twenty-five (25) or less employees, including owner; Must not be a home-based business;
- D. Must be 51% + majority owner of business;
- E. Must be 18 years or older;
- F. Must pay minimum wage or more for all jobs;
- G. Must have a valid SS #, EIN Tax ID # , DUNS #, and Business Bank Account;

- H. Must have active liability insurance during and after the requested reimbursement period;
- I. Must provide a W-9 form as this funding is considered taxable income;
- J. Must be current on Unemployment Insurance (UI) taxes and in good standing with the State of California;
- K. If business is a restaurant, it must be in good standing with the Health Department;
- L. Must be able to demonstrate a need for Small Business Relief support due to the impacts of COVID-19;
- M. Must not currently be in bankruptcy;
- N. Must be current with property taxes and County fees, or have a payment plan in place with County as of October 31, 2020;
- O. Must have satisfied obligations and deliverables of other County-based funding requests (as applicable);
- P. Must be current on terms of existing County financial assistance products as of October 31, 2020;
- Q. Must not be a party to an active lawsuit against the County of Orange;
- R. Must be able to demonstrate approximately how many employees and clients/customers benefitted from the grant for the time period between January 21, 2020 through November 8, 2020;
- S. Must be able to demonstrate approximately how many employees and clients/customers benefitted from the grant; and
- T. If it is found that the business received duplicate benefits, the business may be required to refund the award.
- U. Must have lost revenue or sales since March 19, 2020 due to the COVID-19 pandemic.
- V. Must not be, or have been, engaged in illegal activities, or in adult entertainment, gambling, cannabis, or other industries making it ineligible for Federal funding.

III. Program Funding

- A. The range for COVID-19 OC Small Business Relief grant funding is \$1,000 - \$10,000 per grant award (based on demonstrated need and availability of funding).
- B. The Small Business applicant must document the impact of the COVID-19 National Health Emergency on the business.
- C. Completed program applications will be reviewed for completeness and eligibility, and then will be considered for possible approval on a first-come, first-served basis, by Orange County Supervisorial Districts (Districts or District) until funds are exhausted.
- D. If a District is undersubscribed, the remaining funds will be pooled and awarded on a first-come, first-served basis, regardless of the District where the business is located.
- E. However, if not enough applications have been received, the County reserves the right to extend the deadline.
- F. The application period will start November 9, 2020 9:00 A.M. PST and is scheduled to end November 23, 2020 5:00 P.M. PST, or when 350 online applications have been received, whichever comes first.
- G. The application link will be closed once an adequate number of applications have been received.

- H. Applicants will be required to submit adequate supporting documentation (i.e. supplemental application, receipts, canceled checks, paid invoices, etc.) to support reimbursement for purchases made utilizing the OC Small Business Relief: Unincorporated Grant funding. Incomplete applications will be disqualified. Applications received after an adequate number of applications have been received, will not be processed.
- I. Due to the limited amount of funds, not all eligible applications received will be processed for funding.

IV. Allowable Activities

The following are examples of allowable activities/costs that Small Business Relief funds can be used for as part of addressing COVID-19-related effects on small businesses and their employees:

- A. Rent and utilities incurred after January 21, 2020 and before November 8, 2020, for business offices, facilities, and buildings leased or owned prior to January 21, 2020.
- B. Payroll for employee wages and benefits.
- C. Purchase software program(s), hardware (computers and cellphones), licenses, and technology platforms that employee(s) would need to work from home/remotely or to automate systems.
- D. Equipment with a per-unit value under \$5,000.
- E. Assist small businesses with resources to repurpose their business to meet the current community needs.
- F. A business may use OC Small Business Relief funding towards liability insurance for restaurants that convert to delivery while under COVID-19 emergency circumstances and/or stay at home orders.
- G. Funding may be used for training or professional development opportunities:
 - 1. To prevent, respond, and/or respond to COVID-19;
 - 2. To implement new training for employees to redirect and/or reassign existing employees to support the production of goods and services that are needed to address COVID-19 and to preserve critical business operations; and
 - 3. To pay for this type of existing employee training.

This is not an all-inclusive list. Additional allowable activities that support relief for small businesses may be considered. CDBG-CV promotes economic development flexibility.

PLEASE NOTE: It is important for businesses to only request for reimbursement for activities that have not or will not receive assistance from other sources of any kind (e.g. federal, state, local government, insurance, or other source). (Example, a business cannot have received payroll assistant in April from another federal or other source, and then also ask for payroll for April from this funding).

V. Prohibited Costs

Resources from the Small Business Relief Fund may not be used for but not limited to the following:

- A. Food and beverages;
- B. Indirect administrative costs;
- C. Entertainment;

- D. Fines and penalties;
- E. Donations;
- F. Fundraising activities;
- G. Individual memberships and subscriptions;
- H. Hazard Pay;
- I. Support services such as childcare, non-delivery transportation costs, lodging expenses, or meals;
- J. Equipment with a per-unit value over \$5,000;
- K. Political or religious activities;
- L. Branding and marketing projects;
- M. Any activity that has been or will be paid for by another source (e.g. federal, state, local government, insurance, or other source), will not be eligible for an unincorporated Grant to avoid duplication of benefits for compliance with Federal Disaster Law and CBDG-CV requirements.
- N. Costs that are not reasonable, necessary, and directly related to the purpose of the approved COVID-19 OC Small Business Relief Program; and
- O. Costs incurred prior to January 21, 2020 or after November 8, 2020.

VI. Application Submission

For consideration, eligible small businesses must complete a program application found on the OC Housing and Community Development website at:

https://www.occr.org/hcd/community/oc_small_business_relief_program_unincorporated_grants

At a minimum, a completed application must include:

- A. The online OC Small Business Relief Program: Unincorporated Grant Application
- B. OC Small Business Relief Program Application Supplemental Sheet;
- C. Completed W-9 Form as this funding is considered taxable income;
- D. Federal IEN Tax Id #, Social Security #, and DUNS #
- E. Documentation to support the economic loss and/or mitigation to the Coronavirus pandemic;
- F. The number of full time and part time employees affected (if applicable);
- G. A brief profile of the business including industry, occupation, and physical location(s);
- H. A brief narrative describing the use of funds, and need for funds;
- I. The amount of funds requested, a brief description of how the funds were spent and receipts for all expenses;
- J. The number of clients/customers the grant will benefit; and
- K. A commitment of the employer to adhere to the required certifications and reporting requirements.
- L. Grant recipient will be responsible for providing all documentation, including receipts, with the application that accounts for how the entirety of the grant monies received were used as reimbursement for eligible expenses;

VII. Application Review

- A. The OC Small Business Relief Program: Unincorporated Grant Application period shall commence on November 9, 2020 at 9:00 A.M. PST and end on November 23,

2020 at 5:00 P.M. PST or once 350 online applications have been received, whichever comes first.

- B. Completed applications will be submitted online and reviewed for completeness and eligibility and forwarded to by OCCR/HCD staff for approval consideration. Applications will be reviewed and approved on a first-come, first-served basis by Board of Supervisor District until all the available funds have been committed. Applications will be reviewed based on the following criteria:
 - 1. Amount requested;
 - 2. Must be physically located in an unincorporated area of Orange County CA;
 - 3. Number of people served;
 - 4. Size of Business (25 or less including owners);
 - 5. COVID-19 Impact to your business;
 - 6. Eligibility of the activity and submission of eligible supporting documentation for reimbursement; and
 - 7. Geographic Distribution of Awards.
- C. Each business will be verified for Debarment/Suspension Status using the following website for Certification:
https://www.sba.gov/sites/default/files/forms/form_tr1623_0.pdf
- D. Each business will be verified by the California Secretary of State website to ensure the business is good standing: <https://www.sos.ca.gov/business-programs/business-entities>
- E. OCCR/HCD staff will ensure that approved application adheres to the purpose of the COVID-19 OC Small Business Relief Funds. If approved, OCCR/HCD will inform applicants via email of whether their OC Small Business Relief Fund; Unincorporated Grant application has been approved or denied within 20 days.
- F. If approved, OCCR/HCD staff will provide the awarded business with an OC Small Business Relief Fund Unincorporated Grant, Award Notification, and Grant Agreement. Awarded recipients must return the fully executed Grant Agreement within five days of award announcement.
- G. The County of Orange shall directly pay business for reimbursement of approved costs for approved applications. Funds will be mailed by certified mail to the business address.
- H. If application is incomplete, or denied, no appeal will be offered, due to the nature of the funding being awarded on the first come, first services basis by Board of Supervisor District. However, if a District is undersubscribed, then the remaining funds will be pooled and awarded strictly on the date and time the applications were received, regardless of the District where the business is located.

VIII. Reporting Requirements

- A. Participating businesses are required to provide OCCR/HCD with a description of the amount of the funds received, the amounts of the funds obligated/expended, the description of all activities and contracts, and economic impact on the community regarding each activity under this grant and report all program activity and outcomes to OCCR/HCD staff for compliance with federal requirements.
- B. As stated above, this program is funded by the U.S. Department of Housing and Urban Development Community Development Block Grant – Coronavirus (CDBG-CV) grant through The Coronavirus Aid, Relief and Economic Security

Act (CARES Act) (Public Law 116-136) and grantees must follow all applicable CDBG-CV and CARES Act regulations.

- C. FR-6218-N-01 Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs HUD is imposing the following waiver and alternative requirement under Section III.B.5.(d)(iv) Overall Benefit to LMI to allow grantees and employers to consider individuals that apply for or hold jobs to be members of one-person families for activities that prevent, prepare for, and respond to the COVID-19 pandemic.
- D. HUD is also modifying related record keeping requirements at 24 CFR 570.506(b)(7) (entitlement) by adding the following additional presumption: the recipient may substitute records showing the type of job and the annual wages or salary of the job in lieu of maintaining records showing the person's family size and income to demonstrate that the person who filled or held/retained the job was a low- or moderate-income person, when required by paragraph 24 CFR 570.506(b)(5)(i)(B), (b)(5)(ii)(C), (b)(6)(iii) or (b)(6)(v).
- E. All costs must be incurred between January 21, 2020 through November 8, 2020 and documented in accordance with the eligible Small Business Relief activities and must be documented in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 CFR Part 200.
- F. Each business must provide a D-U-N-S Number.
 - 1. If one doesn't exist, go to the Dun & Bradstreet website to apply for a free D-U-N-S number. <https://www.dandb.com/free-duns-number/>
 - 2. The D-U-N-S Number is a unique 9-digit identifier issued and maintained by Dun & Bradstreet (D&B) that verifies the existence of a business entity.
 - 3. The D-U-N-S number is needed to coordinate with the System for Award Management (SAM) that combines federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. <https://www.SAM.gov>
- G. OCCR/HCD staff will ensure that no funds are provided for costs that have been or will be paid for by another source (e.g. federal, state, local government, insurance, or other source) in order to avoid duplication of benefits in compliance with Federal Disaster law and CDBG-CV requirements.
- H. If it is found that a business received any other type of benefits, funding, or financial assistance from any source (e.g. federal, state, local government, insurance, or other source) for the same activities or costs that the business seeks, or will seek, reimbursement for under this OC Small Business Relief Program: Unincorporated Grants, the business will be required to pay back the Grant.

IX. Grant Application & Award Process

The grant application and award process will be as follows:

- A. Program Approval/Marketing Period: The program flyer and District specific Press release will be provided to Districts for marketing in Unincorporated Areas. Each District has initially approximately \$68,000 available. If after the first two weeks

- any District is undersubscribed, remaining funds will be awarded on a First Come First Served Basis, based on the Time and Date stamp of receipt of application.
- B. Application Period: The application period will be open from Thursday, November 9, 2020 at 9 AM to Friday November 23, 2020 at 5:00 PM, or until 350 applications have been received. Late applications will not be accepted.
- C. Application Submission: Applications can only be submitted Online. The link for the application portal will be available beginning Monday, November 9, 2020 at 9:00 A.M. PST through November 23, 2020 at 5:00 P.M. PST or 350 applications have been received.:
- D. Applicants may be required to provide to the County any additional information or documentation related to these expenditures, if requested by the County. A grantee who fails to meet these terms may be disqualified.
- E. County Application Processing: Applications up to approximately \$68,000 per District received first, by date and time stamp, will be processed in the order they were received. Then if any District is under subscribed after the initial two-week period, the remaining funds will be pooled and remaining awards will be processed based on First Come First Served, and without regard to the District in which the business is located. Once 350 applications are received, the application link will be closed.
1. Ineligible Applications will be disqualified.
 2. Incomplete Applications will be disqualified.
 3. If more than one application is received for a business, only the first application received will be considered. All other applications will be disqualified.
- F. Preliminary Review: Applications received will be reviewed for completeness.
1. Certification that the business is not on the federal Debarment/Suspension list.
 2. Certification that the business is in good standing with California Secretary of State.
- G. County Approval: OCCR/HCD will review final files for each applicant who has been deemed eligible in a structured, consistent, and clear manner.
- H. Fund Deployment: The County sends grant agreement to the awardee. Businesses will be given 5 days to send signed grant agreement back. The grant agreement will affirm the critical requirements of this grant, including but not limited to:
1. Grant recipient must agree to an inspection of documentation by OCCR/HCD staff to verify that the grant monies were used in accordance with the program requirements;
 2. Grant recipient will be responsible for providing documentation, including receipts, with the application that accounts for how the entirety of the grant monies received were used to fund eligible expenses;
 3. Grant Awardees will be listed on the website as fund recipients; and
 4. Funding awards will be mailed by certified mail to the business address.
- I. Deadline to Spend Funds: Eligible requests for reimbursements must be submitted with the application to the OCCR/HCD no later than November 23rd, 2020.

- J. Audit and Expenditures: OCCR/HCD staff will conduct an audit of the funds expended by grant recipient to ensure that the funds were used in accordance with the program Requirements.

For more information, businesses can call the Economic and Business Recovery Call Center at (714) 480-6500 or visit the Small Business Relief Program website at: https://www.occr.ocgov.com/hcd/community/oc_small_business_relief_program_unincorporated_grants for full details on eligibility requirements for the OC Small Business Relief Program: Unincorporated Grants, including allowable activities and prohibited costs.