



Fountain Valley

COVID-19 Related

Small Business Emergency Relief

Grant Program Round Two

February 10, 2021

Program Guidelines

Program Overview

About the Program

The City of Fountain Valley has created the Small Business Emergency Relief (SBER) Grant Program Round Two, which will provide funding to small businesses needing financial assistance in overcoming the temporary loss of revenue due to the COVID-19 pandemic. The program is based on the availability of funds, program guidelines and submission of all required information and supporting documentation. Small businesses with less than 25 full-time employees may be eligible to receive a working capital grant of up to \$5,000. The grant may be used for working capital to cover the day-to-day business operating expenses, or other similar expenses that occur in the ordinary course of operations.

Funding Availability

The City of Fountain Valley received an additional allocation of \$125,000 from Second Supervisorial District. ***The funds will be disbursed as a grant to small business owners within the County of Orange District 2 area only (Warner Avenue south to the City limits).*** As a disbursing agent for these funds, the City's Administration Department shall be responsible for providing the administrative services for the SBER Grant Program Round Two activities. As such, the City's Program Partner, the Orange County/Inland Empire Small Business Development Center ("SBDC"), shall be responsible for program marketing, application processing, and packaging all grant applications. The City is obligated to fulfill the terms and conditions of the funds as established by District 2 and City Council, these program guidelines, and Federal, State, and local rules and regulations.

Eligibility

To be eligible to apply for the SBER Grant Program Round Two, a business must meet certain criteria that has been established by the City of Fountain Valley. There are two steps to qualifying, which include the business must be affected by COVID-19, the business must meet small business eligibility standards (as created by the City of Fountain Valley). **City Council voted to provide priority to businesses that have been forced to close due to the State's stay at home orders.**

Business must have been affected by COVID-19.

The business applicant must prove that his or her business has been affected by COVID-19 in one of the following ways:

- Sales from the business are down more than 25% compared with the previous year (i.e. March and April 2019 vs. March and April 2020) or if the business do not

have previous year comparisons the business can provide the previous three months (Prior to March 1, 2020);

- The business has had to lay off at least one of its employees (full or part-time); or
- One or more of the employees in the business have contracted COVID-19, while at work.

and

General Terms and Conditions

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

- Applications accepted beginning Wednesday, February 10, 2020 at 5 p.m.;
- Grants up to \$5,000;
- Business must agree to develop and implement a Safe Reopening Plan that addresses employee and customer health;
- The business must be physically located in Second Supervisorial District (<https://www.ocvote.com/maps/#33.7097/-117.9626/14/boundaries=sup|base=st-ter|precinct=31246|info=1st%20Supervisorial%20District>);
- The business must be a for profit business;
- The business must have an active Fountain Valley business license for a minimum of six (6) months;
- The business must have 25 or fewer employees, including the owner;
- The business must submit the application and all required supporting documentation; and
- The business did not receive funding from the City's COVID-19 Emergency Small Business Employee Retention Grant, City's Small Business Emergency Relief Grant in June 2020, and District 1 Grant Program.

Eligible Use of Funds

- Payroll/employee retention or supporting employees;
- Inventory and working capital;
- Purchase of Personal Protective Equipment;
- Rent or mortgage payments;
- Addressing temporary COVID-19 related restrictions on business activity;
- Increasing technology capacity to enable alternative work forms;
- Creating new marketing campaigns or business plans;
- Paying vendor invoices;
- Facility cleaning/restoration; or
- Other Grantor approved uses.

Ineligible Business Types

- Businesses that have accessed to other Federal COVID-19 funding such as the SBA's Disaster Loans or Paycheck Protection Program loans that is above 5% of their gross revenue from 2019;
- Non-Profit or public entities;
- Home based businesses are not eligible for grant funding;
- Businesses with more than 25 employees (FTE);
- New/Startup Businesses (with less than six month of operating history as of June 1, 2020);
- Residential or real estate projects including short-term rental operators;
- Adult-entertainment related businesses; or
- Cannabis/Cannabis-related

Applicants will fill out a use of funds 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.

Marketing and Outreach

The City of Fountain Valley and the CSUF SBDC will create marketing and outreach pieces to promote the SBER Grant Program Round Two. The goal will be to alert small businesses throughout the city about the grant program and bring awareness to those small businesses that need this capital to survive. The CSUF SBDC will build all marketing and informational collateral in English and Vietnamese, in order to promote and educate small businesses throughout the City.

Webinars

The City of Fountain Valley and the CSUF SBDC conducted a webinar to assist with the SBER Grant Program Round Two application back in June 2020. The recorded webinar is available on the City website to outline the program, the application, and additional documents needed.

Applications

The Application

The CSUF SBDC will create a city specific application that can be filled in directly through an online portal, through a fillable PDF. The SBER Grant Program application will include information about the small business, the number of employees in the business, location of the business, amount of time in business and month-by-month sales from January 2019 through May 2020. Applications will be linked from the City of Fountain Valley website, through a link on the OCIE SBDC website.

Online Application

The CSUF SBDC will develop and manage the online portal for application submission. The online portal will support submission electronically in English, unless otherwise requested. The online application page can also be supported by other webpages hosted on the CSUF SBDC website, which explain the program, eligibility and requirements contain FAQs and contact information. These pages can be developed in conjunction with the City as requested and appropriate. The online portal is hosted on a server where application data can be accessed with login credentials residing with the SBDC. Any additional documentation required by business owners can also be submitted via the online portal or via an SBDC file transfer service.

Application Period

The grant application will open on Wednesday, February 10, 2020 at 5 p.m. Grant applications will be accepted until Tuesday, February 16, 2020 at 5 p.m. **Priority will be given to businesses that were forced to close due to the State stay at home orders.** A lottery system will be implemented to prioritize applications.

Application/Documentation Requirements

The following documents must be submitted for consideration of a grant request:

- Complete grant application;
- Business bank account number;
- Profit and Loss Statement and Balance Sheet from 2019 for business or 2019 tax returns;
- Employee list as of March 1, 2020; and
- Current business license dated prior to March 1, 2020.

Grant Disbursement

Upon City Manager approval, the Finance Department will prepare a grant agreement and release the grant. The applicant will be notified that they have been approved for the grant. The Finance Department will provide the applicant the grant and sign an acceptance document.

Expected Number of Applicants

The City of Fountain Valley is expecting the SBER Grant Program Round Two to have an overwhelming number of applications. If the number of applications exceeds the amount of funding that is available for disbursement, a lottery system will be utilized to award grants to all eligible applicants. The lottery will be conducted in partnership with the CSUF SBDC and be based on a randomized, computer drawing on a selected day, to further engage the community. The lottery will take place on Monday, March 1, 2020 at 10 a.m.

Notice of Grant Award or Denial

Each applicant shall be notified in writing whether their application has been selected or denied. All small businesses that have been awarded grants will be published on both the

City of Fountain Valley's website and in marketing material that will be displayed throughout various channels.

Program Complaint and Appeal Process

Complaints concerning the SBER Grant Program Round Two should be made to the City of Fountain Valley Administration Department ("the City"). If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City Manager.

Equal Opportunity Policy

The Administration Department 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.

Reporting

One of the unique abilities that the Orange County/Inland Empire SBDC Network has is a database collection system called Neoserra that allows each client to be tracked, monitored, and measured throughout their time using SBDC services. The system will track every seminar/workshop they attend, each consulting session that the client completes with a business advisor along with the notes of what happened in the meeting. Vital demographics including type of industry, veteran status, address, type of formation and more are inputted into the system. Neoserra is also used to track the metrics of each client including the following metrics: start of business, change in sales, capital infused into business including both debt and equity, jobs created and jobs retained. The tracking system will allow the OCIE SBDC Network to produce accurate reports and success stories for the City of Fountain Valley to use moving forward.

Continued Support from the SBDC

The CSUF SBDC will continue to consult and train all awarded small business owners and those that were denied funding, during the life of their business. The network has more than 100 business consultants that will work with each applicant one-on-one, all at no cost to the business owner. The SBDC receives funding from the Federal government and the state of California, to be able to deliver services to the business owners throughout the region.

Contact Information

For questions or additional information regarding the SBER Grant Program Round Two, please contact the following:

City of Fountain Valley
Maggie Le
Administration Department
10200 Slater Avenue

Fountain Valley, CA 92708
(714) 593-4412

For assistance in completing the Small Business Emergency Relief Grant and to set up a one-on-one consultation (at no cost), please contact the CSUF Small Business Development Center at:

OC SBDC

Mike Daniel

Regional Director

Orange County/ Inland Empire SBDC Network
Hosted at California State University, Fullerton,
Mihaylo College of Business and Economics
800 N. State College Blvd. SGMH 4157
Fullerton, CA 92831
(657) 278-1803 office
midaniel@fullerton.edu