

**City of Meriden Economic Development Department:
Meriden Small Business COVID-19 Emergency Relief Grant Program
Policies & Procedures**

I. Introduction

The required closure of non-essential businesses and the restrictions placed on essential businesses as a result of the COVID-19 pandemic have created a significant economic impact on the City of Meriden. In an attempt to alleviate some of this impact, the City has established a Small Business COVID-19 Emergency Relief Grant Program, funded with Community Development Block Grant – CV funds from the CARES Act. An initial allocation of \$300,000 has been set aside for this program.

This program offers grants up to \$5,000 to businesses that have a demonstrated need for funding due to the impacts of preparing for, preventing, or responding to the Coronavirus pandemic. The program specifically seeks to provide access to much needed capital for businesses so that they are able to keep up with payroll, utility or rent/mortgage payments, supply costs, and other legitimate business expenses.

It is hoped that the grant assistance might help small businesses with emergency cash flow needs resulting from the COVID-19 pandemic and help them retain and continue to pay employees where possible. The program also hopes to help small businesses that either do not qualify or have not been able to fully access other resources provided by the Federal or State Government, and to continue to provide goods and services to Meriden’s residents to the maximum extent possible.

The City has partnered with Capital for Change, a Community Development Financial Institution (CDFI), for the running of the program. Capital for Change will assist the City with application creation, intake, vetting, review, and overall administration of the program.

II. Program Goals

Specific goals of the program are as follows:

- Assist small businesses that require emergency cash flow that does not put them further into debt
- Preserve employment opportunities for the community

- Retention of the City's existing small businesses
- Provide a funding source for small businesses that do not qualify for, or have not been able to fully access other resources provided by non-profits and Local, State, or Federal Governments
- Allow businesses to continue to provide goods and services to Meriden residents

III. Financial Assistance

The City's financial contribution will be in the form of a grant up to \$5,000 to qualifying businesses. Selected applications will be required to sign a grant agreement with the City that details their responsibilities as an awardee prior to receiving any funding. Businesses must provide proof of a business bank account into which the funding will be deposited.

IV. Eligible Businesses

In order for a business to receive funding under the program, the following basic criteria must be met:

- Business must be a Food/Restaurants, Retail, Service, Day Care, or other business declared non-essential by Governor Lamont's Executive Order 7H and subsequent DECD guidance;
- Business must have a physical location in the City of Meriden. Preference will be given to businesses that operate out of storefronts or other non-residential space. Preference will also be given to said businesses in the Inner Tax District;
- Business must be for-profit and organized as an LLC, S-Corp, C-Corp, Partnership, or Sole Proprietorship/DBA;
- Business must have a gross documented 2019 revenue that does not exceed \$500,000;
- The owner of the business must be low/moderate income;
- The business must employ 5 full-time employees, or less, including the owner;
- The business must be able to document an adverse financial impact due to the coronavirus;
- Business will be required to have a DUNS number prior to execution of a grant agreement;
- Business must be current on property tax bills, water/sewer bills and any other forms of indebtedness to the City of Meriden, State of Connecticut, or the Internal Revenue Service and not currently in bankruptcy;
- Business must have been established and operating prior to February 15, 2020;
- Business must have active liability insurance prior to execution of a grant agreement;
- Business and business owner must confirm no conflict of interest with the City;
- Business must not be a payday loan, pawn shop, a passive real estate investment, or a home-based business operating without appropriate zoning and/or permits.

V. Eligible Costs

Any legitimate business expense that is determined to be reasonable is potentially eligible for funding under this program.

Examples of eligible costs that can be paid for with the grant include, but are not limited to:

- Rent or mortgage for the business' location(s);
- Insurance;
- Utilities;
- Staff salaries, provided business did not receive a Payroll Protection Program loan, or those funds received have been exhausted;
- Unpaid vendor or service contracts;
- Goods or supplies, including PPE

VI. Ineligible Costs

The Program will NOT cover the following costs:

- Costs that have already been paid for by the business, business owner, or through funding received from an SBA Loan, the Paycheck Protection Program, or other Local, State, or Federal sources;
- Any construction related costs or repairs;
- Costs unrelated to preparing, preventing, or responding to the pandemic;
- Purchase of personal property and/or equipment

VII. The Process

A. Application & Approval:

1. The Economic Development Department and Capital for Change will announce an upcoming application period and provide details on basic programmatic and application requirements.
2. Economic Development and Capital for Change will make the application available online. Applications will be accepted until the City has received its limit given funding availability. Additional application periods will be announced if funding allows. A waiting list of eligible applicants with complete applications will be maintained once funding has been fully expended.
3. Capital for Change will perform application intake and initial review for completeness on a first come, first serve basis. Only applications deemed complete will be reviewed and vetted in further detail. Applicants will be alerted if their application has been deemed incomplete or if staff has any questions on the submitted information. Incomplete applications will not be

considered as “Complete” and therefore will not be considered until resubmitted with requested information and documentation within 30 days of submittal.

4. Complete applications will then be reviewed for eligibility and underwriting, ensuring that the application adheres to all requirements of the program and of applicable local, state, and federal regulations, including those found at 24 CFR Part 570.
5. Complete and eligible applications will then be voted upon by an ad-hoc, Small Business Emergency Grant Committee. The decision of the Committee will be final. Members of the Committee will include the Economic Development Director; Economic Development Specialist; Community Development Manager; President of Meriden Economic Development Corporation; and the President of the Midstate Chamber of Commerce. Applications that are selected for funding will display adherence to the requirements of the program and will be selected on a first come, first serve basis, determined by date the application was considered “complete.”
6. Businesses that are approved for funding will then be notified. Approved businesses will be required to sign a W-9 and a grant agreement that details their responsibilities as an awardee prior to receiving any funding.

B. Payments:

Payments will be issued by Capital for Change. Businesses will be required to show documentation that the funding was used for qualified business expenses.

C. Reporting:

Businesses that receive funding will be required to provide a brief report/survey on business activity at the 3- and 6-month anniversary of the grant award. The business must also keep all receipts and invoices related to costs paid for by the program and provide them to the City or Capital for Change, upon request.

VIII. Additional Information

A. HUD Objective:

The Small Business COVID-19 Emergency Relief Grant Program is funded by the CDBG-CV allocation that was awarded to the City of Meriden as part of the CARES Act. As such, the program must satisfy the Low- and Moderate-Income (Low/Mod) Clientele National Objective found at §570.208(a)(2) of Code of Federal Regulations. Therefore, the applicant must be able to demonstrate that the business has 5 or fewer full-time employees, including the owner, and that the owner qualifies as a low-/moderate-income household.

The applicant must also be able to demonstrate that all costs that he/she is seeking funding for through the program are related to preparing for, preventing, and responding to the coronavirus.

All other HUD requirements for conflicts of interest, income requirements, or other regulations as applicable to this Program, will be enforced.

B. Environmental Review Procedures:

Funding provided to businesses is subject to HUD's environmental review procedures found at 24 CFR Part 58. The Economic Development Department is the responsible entity for conducting environmental reviews. No funding will be dedicated, nor will any grant agreements be signed, until the City has completed a satisfactory environmental review. The Economic Development Department will also review whether the business has been suspended or debarred from conducting business with, including the receipt of funding, any Federal Agency.

C. Amendments to the Policies and Procedures:

Amendments to the City of Meriden Economic Development Department Small Business COVID-19 Emergency Relief Grant Program Policies & Procedures may be considered in order to ensure compliance with Local, State, and Federal requirements. Changes to the Policies and Procedures shall be made by the Economic Development Department, as necessary.

IX. Statement of Nondiscrimination

Projects funded by the Community Development Block Grant are obligated to comply with Section 109 of the Housing and Community Development Act of 1974, as amended. The Act requires that no person in the United States shall, on the grounds of race, color, national origin, sex, religion or handicapped conditions be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with community development funds. In addition, owners applying for assistance from this program must be in compliance with Fair Housing Laws and Title VIII of the US 1968 Civil Rights Act. These prohibit discrimination against individuals based on their race, color, creed, sex, religion, handicapped condition, or national origin with respect to the leasing and occupancy of the property belonging to the owner.