



CITY OF EL MONTE EMPLOYER ASSISTANCE GRANT FUND

Table of Contents

OVERVIEW/BACKGROUND.....	3
BUSINESS ELIGIBILITY.....	3
REQUIRED DOCUMENTATION.....	3
INELIGIBLE BUSINESSES	4
ELIGIBLE USE OF FUNDS.....	4
INELIGIBLE USE OF FUNDS	4
VERIFYING & DOCUMENTING ELIGIBILITY	5
Application	5
Attachment A: Meeting the LMA National Objective	5
Attachment B: Meeting the LMJ National Objective	6
AWARDING THE GRANT.....	6
MONITORING	7
IDIS.....	7
REPORTING	7

PROGRAM GUIDELINES

OVERVIEW/BACKGROUND

The City of El Monte's Employer Assistance Grant Fund offers on-time \$10,000 grants to eligible businesses to help them create jobs, retain jobs, and offer quality services to the residents of El Monte. Grant funds may be used for overhead expenses, rent, utilities, business services such as web site development to increase capacity, and necessary equipment to continue business operations, among others. Businesses are not expected to pay back grants.

The program is funded through a grant from the U.S. Department of Housing and Urban Development as eligible under Sections 105(a)17 of the Housing and Community Development Act of 1974. The City of El Monte's Employer Assistance Grant Fund meets the following national objectives, depending on the business' eligibility:

- Benefiting persons of low to moderate income; or
- Job creation and retention

BUSINESS ELIGIBILITY

Businesses must meet all requirements to be eligible for the program. Eligibility requirements are outlined below:

- Business must be physically located within El Monte city limits
- Business must employ less than 20 employees, including the owner(s)
- Business has been operational at least one (1) year
- Have or register for a DUNS Number (City Staff are available to assist)
- Submit all required documents (See *Required Documents* Section)
- Meet **one (1)** of the following criteria below:
 - The service activity area of the business is primarily residential, where at least 51 percent of the residents are LMI persons, and the business' services meet the needs of the service area residents. If the commercial district is composed of stores and businesses that serve local customers that meet the LMI then it qualifies; **OR**
 - Currently employ and retain at least one (1) low-and moderate-income (LMI) person or in the case of staff turnover, have the identified position filled by LMI person (see details below) **and** demonstrate that without grant assistance the job would be lost.

REQUIRED DOCUMENTATION

For an application to be considered complete, all listed documents must be submitted.

- Completed, signed application (application may be signed electronically)
- Attachment A, which documents business eligibility under the LMA national objective **OR**

- Attachment B (along with supplemental documents), which documents the business eligibility under the LMJ national objective

INELIGIBLE BUSINESSES

Due to federal funding restrictions, businesses that meet one (1) of the following criteria are not eligible for participation in the program.

- Business that do not currently employ LMI Persons **OR** that are in a census tract, block group that does not service LMI persons
- Businesses that fall into the following categories: gaming, liquor or tobacco stores, marijuana dispensaries and manufacturing, and any business or activity that does not comply with local, state or federal laws.

ELIGIBLE USE OF FUNDS

Awarded funds are intended to help businesses retain staff and continue to provide quality services to the residents of El Monte. Use of funds is at the business owner's discretion, however, below are some examples of eligible activities:

- Overhead expenses
- Rent and utilities
- Business services (web site development, etc.) to increase capacity to carryout business activities
- Labor expense (excluding the owner)
- Business inventory and supplies
- Capital or equipment purchases necessary for the business operation, excluding vehicles

Businesses are required to identify their intended use of funds during the application process. Program staff will follow up with the businesses and collect relevant documents that support appropriate use of grant funds.

INELIGIBLE USE OF FUNDS

Funds may not be used for the following activities:

- Personal property
- Repayment of refinance of existing debt or to pay operating deficits tax arrearages, governmental fines or penalties or general government expenses
- Personal income or emergency situations
- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570

VERIFYING & DOCUMENTING ELIGIBILITY

Application

Staff shall review all applications for thoroughness and completion. Staff is responsible for making sure that all eligibility document has been submitted by the business owner. Applications are to be reviewed on a first-come, first-serve basis. The application consists of the following components.

1. Applicant Information
 - a. Staff shall review that all information has been filled out
 - b. Staff shall verify that the business has included a DUNS number. Staff may need to assist businesses register and obtain a DUNS number prior to submitting their application.
 2. Background Information
 - a. Staff shall review that all information has been filled out.
 - b. Staff shall review answers to all questions and note areas where the business may need additional technical assistance support.
 3. Financial Information
 - a. Staff shall review that all information has been filled out.
 - b. Staff shall verify that the business has identified how they plan to use grant funds. Staff will note how the business plans to use funds and will collect supporting documents and monitor grant expenses.
 4. Assurance and Signatures
 - a. Staff will verify that the applicant has signed and dated the application.
- For Office Use Only
Staff will use this section to verify that that:
 - Application is complete;
 - Business has submitted all required documents; and
 - Business meets the eligibility requirements, including meeting a HUD national objective.

Attachment A: Meeting the LMA National Objective

Under the LMA national objective the services in the area are of benefit to low-and moderate-income (LMI) persons. To be eligible for this grant, the service activity area must be primarily residential, where at least 51 percent of the residents are LMI persons, and the business' services meet the needs of the service area residents.

Staff will Attachment A for completeness. Attachment A consists of the following components:

1. Business Information
 - b. Staff shall review that all information has been filled out.
2. Determining the Census Tract & Block Group
 - a. Attachment A includes details for the business owner to identify the census tract and block group of their business.
 - b. Staff may need to assist businesses to identify their census tract and clock group.
 - c. Staff will verify the information by following the steps in Attachment A. Staff will then print out the results page, highlighting the business census tract and block group, and place the printout in the business file.

Attachment B: Meeting the LMJ National Objective

Under the LMJ objective activities are meant to retain jobs and/or benefit areas with low-and moderate-income (LMI) persons. To be eligible for this grant, the business must create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) are to be made available to or held by LMI persons, **or** the identified LMI staff reside in an eligible census tract with at least 70 percent LMI persons, **or** the business is in an eligible census tract and the job will be located within that same census tract.

Staff will check Attachment B for completeness. Attachment B consists of the following components:

1. Business Information
 - a. Staff shall review that all information has been filled out.
 - b. Staff shall pay special attention to make sure that questions have been answered thoroughly and that the business has clearly explained the impact that grant funds will have on their ability to create jobs or retain jobs.
 - c. Businesses must submit financial documents showing the past six (6) months of revenue.
 - i. Staff will verify that the business has submitted appropriate documents.
 - ii. Staff will summarize what the financial documents show (i.e. growth requiring additional workforce, loss of revenue, etc.).
2. Section A.1-To be completed if business is using funds to retain staff
 - a. Income Certification
 - i. Staff shall review that all information has been filled out.
 - ii. An income certification form is required for **all** business employees. Staff will verify that the business has submitted a *CDBG Participant Data Form* for all employees.
 - b. Employee Table
 - i. Staff shall review that all information has been filled out.
 - ii. Staff shall use the *CDBG Participant Data Form* to confirm that the data in the table matches the forms.
 - iii. Staff will verify that at least 51% of employees listed are LMI persons.
3. Section A.2 To be completed is business is using funds to create jobs
 - a. Documents to Submit
 - i. Staff shall verify that all documents have been submitted.
 - ii. If the business has not yet created the job but will be working towards this, Staff will check in with the business at least on a monthly business to collect required documents. Staff may need to assist (i.e. find job description templates, resume workshops, check in to make sure business activities are compliant) businesses to make sure all documents are collected.

AWARDING THE GRANT

Upon verification of eligibility, the City will confirm the eligibility status with the business via email. The City will then provide the business with an agreement outlining the terms and conditions of the award. Upon receipt of a signed agreement the City will disburse the one-time grant in the amount of \$10,000.

MONITORING

Staff is responsible for providing on-going monitoring to ensure that grant funds are used in the way they were intended.

Staff will review the business' application to identify how the business said they would use funds and will collect supporting documents on a quarterly basis. If a business finds it necessary to change their intended use of the funds, they must notify the City in writing with at least five (5) days in advance.

Although this list is not intended to be exhaustive, supporting documents may include:

- Lease agreement and rent receipts
- Invoices
- Payroll documents

All collected document will be placed in a business's program file.

IDIS

All program activities will be recorded in IDIS.

Staff is required to enter data into the IDIS once a fully executed agreement has been processed.

REPORTING

Staff is required to compile and submit quarterly status reports to be included in the City's quarterly performance reports.

Staff is required to submit their status reports no later than 10 days after the end of the reporting quarter. At that time staff is responsible for ensuring that all data in IDIS is also up to date.