

City of Plano Small Business Grant Program

Guidelines

City of Plano
Neighborhood Services
Department

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1.0 Introduction

In response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic, the City of Plano has established a Small Business Grant Program in an effort to retain jobs and stabilize local businesses. This Program provides gap financing for businesses that have lost revenue as a result of social distancing and are at-risk of layoff(s) or closure. The program is funded through the U.S. Department of Housing and Urban Development's Community Development Block Grant – Coronavirus (CDBG-CV) funds. The primary Community Development Block Grant National Objective of assistance to low and moderate income persons will be achieved by retaining jobs held by low to moderate income persons and providing assistance to microenterprises with low to moderate income owners.

The program will use \$200,000 of CDBG-CV funds to provide grants of up to \$10,000 to businesses with up to fifteen (15) employees at the time of application, or up to five (5) employees with a low to moderate income owner. The business must demonstrate a loss of gross revenue of 25% or more as a result of the COVID-19 pandemic to be considered for funding.

Applications will be accepted from **May 28, 2020 at 8:00 AM through June 4, 2020 at 11:59 PM** via the [City's ZoomGrants portal](#). Due to the anticipated number of submissions and limited funding, applications will be chosen via a lottery system. Potential applicants should [register for a DUNS number](#) and [create an account on SAM.gov](#) (HUD requirement to receive funds) as soon as possible. See Section 3.2 for more information.

2.0 Program Requirements

2.1 TERMS

Funds are provided as a grant. Repayment is only required if grant agreement is violated or the City determines duplication of benefits has occurred (see section 2.4).

- Maximum request: \$10,000
- Minimum request: \$1,000
- Business to provide project report to City within three months of disbursement of grant funds.

2.2 PROGRAM SERVICE AREA

Financing under this Program is available to eligible for-profit businesses located within the City of Plano jurisdictional boundaries. The location of the business will consider the place of business administration and registration address.

2.3 FUNDING SOURCE

The Small Business Grant Program is funded through CDBG-CV funds provided by the United States Department of Housing and Urban Development (HUD) to the City of Plano under the CARES Act. As such, these funds have Federal requirements, as described below. **Applications will be accepted until June 4, 2020 at 11:59 PM.**

2.4 DUPLICATION OF BENEFITS

Businesses may not receive federally-subsidized disaster assistance that duplicates any part of their disaster loss covered by insurance or another source, such as the Small Business Administration (SBA) or the Federal Emergency Management Agency (FEMA). Applicants for City of Plano grant funds under the Small Business Grant Program must disclose any funds applied for or received from these sources or other federal assistance programs. It is in the City's sole discretion to determine if funds received from any of these sources constitutes a duplication of benefits. Grants under this program will be provided in an amount not to exceed the level of need. If a duplication of benefits determination is made after City of Plano funds have been disbursed, the amount of funds that were determined to be duplicative must be repaid to the City.

2.5 ELIGIBLE APPLICANTS

- For-profit businesses with up to 15 employees at the time of application submission may apply. Business must meet one of the following two criteria:
 1. Small business with 15 or fewer employees that can demonstrate at least one FTE job would be lost without the grant funds and must retain at least one FTE job for a low to moderate income person (to be evaluated after three months); or
 2. Microenterprise (five or fewer employees, including the owner) that is owned by a low to moderate income individual and can demonstrate potential business closure or layoffs without the grant funds.
- Eligible applicants must be located in Plano and operate out of a physical location within Plano city limits. Physical location includes a 'brick and mortar' edifice, food truck, and other types of physical locations. This will be verified through a review of the Certificate of Occupancy as granted by the City of Plano, Secretary of State's Franchise Tax Account Status or Certificate of Formation, or tax documents, as applicable.
- Business must demonstrate 25% or more loss of gross revenue due to the COVID-19 pandemic.
- Annual gross revenue must be under \$1.5 million.
- Business must have been operating for a minimum of two years from the date the application is due.
- The business owner must be a US citizen or permanent resident.
- Owner must be 18 years or older.
- Owner has or will have a valid SS #, EIN, DUNS, and Business Bank Account.
- Owner/Applicant is not currently in bankruptcy and has not filed bankruptcy in the past 12 months.
- Owner/Applicant is current with property taxes and City fees, or has a payment plan in place with County and/or City as of April 30, 2020.
- Not have a conflict of interest with the City of Plano (i.e. the following persons cannot have ownership or financial interest in the assisted business, or be an employee of the assisted business: City of Plano staff, or elected officials, and their immediate family).

2.6 INELIGIBLE APPLICANTS

- Nonprofit organizations are not eligible businesses under CDBG regulations and will not be considered for funding.
- Other ineligible businesses include businesses restricted to patrons above the age of 18 (e.g. bars, liquor and tobacco stores, smoke shops, sexually oriented businesses), sports teams, payday and title loan businesses, franchises/chains that cannot provide proof of independent ownership, pawn shops, firearm or other weapons dealers, passive real estate investments, or home-based businesses operating without appropriate zoning and/or permits.

2.7 ELIGIBLE USE OF FUNDS

Grant money may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business, such as payroll, rent, utilities, insurance and inventory expenses.

2.8 INELIGIBLE USE OF FUNDS

Funds under this Program may not be used to:

- Reimburse expenses incurred prior to execution of grant agreement
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business or pay other expenses not associated with the business
- Pay off taxes and fines
- Finance political activities as defined at 24 CFR 570.207(a)(3)
- Finance explicitly religious activities including activities that involve overt religious content such as worship, religious instruction, or proselytization
- Construction/physical alteration of building
- Home office expenses
- Purchase equipment, including IT systems, with a per-unit acquisition cost greater than or equal to \$5,000. Any equipment purchase is generally unallowable unless a part of operating expenses, as defined in section 2.7.

2.9 JOB RETENTION

Businesses that participate in this program are required to retain at least one job held by an individual that is a member of a low to moderate income household for three months from the date of acceptance into the program. Job retention is defined as total full-time equivalent positions retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners. If the position is expected to turn over within three months, the business must take reasonable steps to make the position available to low to moderate income persons (guidance to be provided by City staff).

Job Retention Exception

A business with five or less employees whose owner is themselves low to moderate income is considered a microenterprise. Microenterprises are not subject to the above job retention requirement previously discussed.

3.0 Program Details

3.1 GENERAL CREDIT REQUIREMENTS

Outstanding debts from municipal citations, child support, taxes owed to federal and state agencies, and delinquent property taxes do not disqualify applicants, if proof of formal payment arrangement is provided.

3.2 OTHER REQUIREMENTS OF CDBG-CV GRANTS

Grant Applicants must:

- Provide a valid DUNS number prior to contract execution. Registration for a DUNS number is required by HUD. This is a free service and should be completed as soon as possible for any business who intends to apply for this grant. Register here: <https://www.dnb.com/duns-number/get-a-duns.html>
- Have an active account in the System for Award Management (SAM). Registration in SAM is required by HUD. This is a free service and should be completed as soon as possible for any business who intends to apply for this grant. Register here: <https://www.sam.gov/>
- Allow City to complete an Environmental Review (NEPA) before providing funds (anticipated completion is one business day)

3.3 PROGRAM ADMINISTRATION

The City will:

- Originate Small Business Grant funds
- Market the Small Business Grant program and promote enrollment dates
- Accept and process applications
- Complete an Environmental Review
- Complete Income Eligibility qualification and document number of employees retained
- Collect third party documentation from applicant of job loss/business closure (if not for the grant assistance)
- Review and underwrite application requests
- Ensure timely disbursement of funds
- Maintain agreement documents and fiscal records
- Administer CDBG funding used for this program
- Ensure compliance with program guidelines as they relate to the funding source

3.4 GRANT TERMS AND CONDITIONS

Financial assistance from the program is designed to keep businesses operational and retain jobs. Terms and conditions are determined by material submitted in the application.

- Grant – the funding is in the form of a grant. Businesses that don't qualify as a microenterprise must be able to provide evidence (in the form of payroll records) of job retentions for at least three

months, otherwise the funds must be repaid to the City of Plano. Microenterprises will report on status of business after three months.

- Amount – up to \$10,000 of grant funds. The grant funds are only available for jobs that will be retained as a result of these funds or HUD-defined microenterprises with low to moderate income owners. Grant amounts are sized based on fixed monthly operating expenses and will be the lesser of \$10,000 or three times the average monthly payroll and operating expenses from January to March 2020.
- Allow City to collect certain income and demographic data from applicants and their employees.
- Allow the City to collect third-party documentation such as financial information that demonstrates the potential business closure or layoffs

4.0 Program Operations and Grant Processing

4.1 PROGRAM MARKETING AND OUTREACH

Program marketing will be conducted by the City and will affirmatively target women and minority-owned enterprises. Examples of marketing include media coverage through press release and distribution of marketing flyers to businesses registered with the City of Plano Economic Development Department, local chambers of commerce, business networking organizations and the local Small Business Development Center (SBDC).

4.2 EQUAL OPPORTUNITY COMPLIANCE

The Small Business Grant Program will be implemented in a manner consistent with the City's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG-CV funds on the basis of his or her religion, age, race, color, ancestry, national origin, sex, marital status, familial status, disability, sexual orientation, gender identity, veteran status or other arbitrary cause.

4.3 APPLICANT CONFIDENTIALITY

Generally, application materials are subject to public disclosure. However, Texas state law allows for certain personal and financial information to be withheld from disclosure in order to protect the privacy of the applicants. All personal and business financial information will be kept confidential to the extent permitted by law. Files for assisted businesses will be kept in locked, secured storage units.

4.4 DISPUTE RESOLUTION/APEALS PROCEDURE

Applicants who are not deemed eligible have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director of Neighborhood Services or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the City's Small Business Grant Program Guidelines, the applicant's application, and the facts which form the basis for the appeal.

The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

4.5 EXCEPTIONS / SPECIAL CIRCUMSTANCES

The City, however, reserves the right, at its sole discretion, to deviate from City-imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

4.6 GRANT CLOSING PROCESS

Upon successful completion of application process, City staff will prepare for the grant closing by preparing the grant closing documents. The City will disburse funds to the business when the grant agreement is executed. The business must spend the funds within 90 days of grant agreement execution. No later than 120 days after execution, the business must provide invoices and proof of payment for all expenses paid using grant funds, in accordance with the scope of work in the agreement.

4.7 APPLICATION SUBMISSION AND SELECTION

The City will use a lottery process to select applicants. All completed, eligible applications submitted between May 28, 2020 at 8:00 AM through June 4, 2020 at 11:59 PM via the ZoomGrants portal will be considered for the lottery. After a business is selected in the lottery, staff will contact the business owner to verify eligibility and collect documentation. Being selected in the lottery is not a guarantee of funding as other criteria needs to be met. Grant agreements will be executed for applicants approved through this process until funding is exhausted.

Contracts for approved grant applications will be drafted by City staff and circulated for signatures to:

- Applicant
- City of Plano Housing and Community Services Manager

Appendix A

2019 HUD MODERATE INCOME LIMITS

Persons in Family	1	2	3	4	5	6	7	8
80% Area Median Income Limit	\$46,550	\$53,200	\$59,850	\$66,500	\$71,850	\$77,150	\$82,500	\$87,800

The moderate income (80%) limit, based on family income, will be used to determine compliance with the requirements for job retention and income of microenterprise owners.