

City of Rome
Small Business Assistance Program FAQ
Covid-19 Emergency Relief Grant

What is the purpose of the City of Rome’s Small Business Emergency Grant (SBEG) Program?

The COVID-19 pandemic has economically damaged small businesses everywhere including in Rome, causing layoffs and closures. The City of Rome has received \$258,026 in special Community Development Block Grants funds from the US Department of Housing and Urban Development under the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) for preventing, preparing for, and responding to the coronavirus (COVID-19).

The City of Rome Community Development Department (CDD) has created the SBEG Program to provide grants to two types of eligible small businesses to help them continue to operate.

Must businesses be located in Rome to be eligible for SBEG Funds? Yes. There must be a brick and mortar business location in Rome, GA.

What are the two types of eligible small businesses?

- 1) Low Moderate Income (LMI) Microenterprises- For-profit businesses with five or fewer employees INCLUDING the owner who must be LMI.
- 2) Other Small Businesses- Other for-profit businesses including (A) microenterprises that are NOT owned by LMI owners AND (B) small businesses with from six to 50 full time equivalent employees.

How does an LMI Microenterprise qualify?

1. The microenterprise has a low-moderate income owner.

A microenterprise that is owned by a low-moderate income (LMI) owner may qualify for a grant if the owner is LMI based on household size and income limits, using the “HUD 2020 Income Guidelines.” The owner will initially indicate the number of persons (related or not) that reside in owner’s household and the combined annual gross income in the household pursuant to the table below, based on the most current published HUD CDBG Income Limits from HUD 2020. However, owner household income will have to be **verified** as per paragraph 2.

Number of persons in household	With gross annual income not to exceed:
1	\$32,900
2	\$37,600
3	\$42,300
4	\$46,950
5	\$50,750
6	\$54,500
7	\$58,250
8	\$62,000

2. LMI owners must provide documentation of their income such as the most recent personal tax returns, profit & loss reports detailing payments to owners, and similar documents. The CDD will rely on Annual Income as defined in accordance with 24 CFR Part 5.609.

How do other small businesses qualify?

Small businesses that (1) have from six to 50 full time equivalent employees (so are NOT microenterprises) or (2) are microenterprises that are not owned by an LMI owner, may qualify under this section of the guidance.

ALL such businesses under this section MUST create or retain at least one permanent job. If more than one job is to be created or retained, at least 51 percent (computed on a full-time equivalent basis) must be held by LMI persons.

Job creation or retention requirements do not apply to LMI Income Microenterprises.

Job Creation

If SBEG funds are used to create jobs, there must be documentation indicating that at least 51 percent of the jobs will be held by an LMI persons. The rehiring of laid off or furloughed employees is considered Job Creation.

Job Retention

If SBEG funds are used to retain jobs, there must be sufficient information documenting that the jobs would have been lost without the SBEG funds and that one or both of the following applies to at least 51 percent of the jobs:

- The job is held by an LMI person; or
- The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by an LMI person.

What can SBEG funds be used for?

SBEG funds awarded by the City may be used for normal business operations expenses such as commercial rent/lease/mortgage OR utilities costs of the applicant business. Assisted businesses will be required to submit receipts form from the vendor (s) paid (e.g., utility company, landlord, bank).

Businesses may generally apply for assistance only once but this policy may change depending upon factors such as whether sufficient funds remain after initial allocations and whether the City receives additional funds from HUD for COVID-19 related purposes.

SBEG funds may not pay for reimbursement of expenses incurred prior to date of execution of the grant agreement to be entered into between the City and SBEG applicants. SBEG funds may not be used to pay arrearages or amounts past due for commercial lease/rent/mortgage or utilities, or late fees or penalties under any circumstances.

Do businesses have to pay back SBEG funds to Rome? No. Such funds if used for eligible costs do NOT have to be repaid, as they are grants.

What is the maximum grant allowed?

The maximum grant for a qualifying small business is \$5,000. This is subject to change based on demand of the program and if the City receives additional funds from HUD for COVID-19 relief in the future

When can businesses apply for the SBEG funds?

Applications are accepted through posted application rounds until funds are no longer available. Only completed applications submitted with ALL required supporting documents will be considered for funds; partial or incomplete submittals will not be reviewed for eligibility.

What types of businesses are ineligible for SBEG funds?

Home based businesses, national franchises/chain businesses and non-profit organizations.

How does the City monitor job creation or retention?

The SBEG Application Form requires each applicant to identify the number of employees computed on a full-time equivalent basis, titles of such employees, and whether positions are filled or vacant at the time the application is submitted. Each applicant must create or retain at least one job computed on a full-time equivalent basis that is or will be held by a low or moderate-income person. If an applicant pledges to create or retain more than one position, the applicant must ensure that 51% of the positions are held by low-moderate income persons.

Monitoring of job retention and creation by the CDD will entail:

- 1) Determining the number of permanent full-time equivalent jobs retained and/or created.
- 2) Determining the percentage of such jobs held by low /moderate-income persons.

To demonstrate compliance with job creation or retention requirements, an applicant must ensure that employees complete and sign a LOW MOD INCOME JOB CREATION OR RETENTION VERIFICATION FORM. The applicant must submit such forms to the CDD. Based on information provided by the employer/employee, the CDD must report to HUD on the number of permanent, FTE positions retained or created with the assistance of SBEG funds.

What are "Underwriting Standards"?

Grants provided to small business (other than to LMI Micro Enterprises) are subject to federal Underwriting Standards. HUD regulations at 24 CFR 570.209(a) guide the City in financially underwriting and selecting SBEG recipients except that underwriting is not required for LMI micro enterprises.

What other factors must CDD establish via application, documentation or records?

1. That the business has experienced a measurable loss of revenue due to COVID-19 as documented through weekly or monthly sales or income documentation.
2. That the business has less than \$2,000,000 in gross annual receipts as through profit and loss statement.

What is meant by avoidance of “Duplication of Benefits”?

Under the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), the City must ensure that it prevents the “duplication of benefits” when using CDBG-CV funds, such as those used by the City under its SBEG Program to assist small businesses impacted by COVID-19.

Essentially, duplication of benefits occurs when a person, household, business, or other entity receives assistance from multiple sources for the same purpose and the total assistance received for that purpose is more than the total need. Example: if a grantee receives City of Rome SBEG funds in the amount of \$5,000, and the business receives \$5000 in other funds for the same time period and use, this is a duplication of benefits. Each applicant will have to sign a grant agreement that states it will not apply for or accept other federal, state, local or private loans or grants or other assistance for the same purposes for which the City of Rome SBEG funds will be used or in excess of total costs for that same purpose.

How does a business obtain SBEG funds?

An applicant must complete the required SBEG funding application and submit ALL required supporting documents to the City of Rome Community Development Department. The application is available on the City of Rome website under the Coronavirus Update page. You can also call (706) 236-4477 and an application can be emailed to you.

What is the application process?

- Complete the application form that is in Adobe Acrobat fillable format online. You may print document then scan/email to bfox@romega.us or cgriffin@romega.us; or the application can be dropped off at our office located at the Carnegie Building, 607 Broad Street, Rome, GA 30161 (bottom floor). Please make sure to include all the required supporting documents.
- Once submitted, CDD staff will review applications and required supporting documents for completeness. CDD staff will contact you to obtain any missing documents, which you must send as soon as possible as only complete application packages will be reviewed for grant eligibility.
- Once a complete application has been confirmed, a detailed review and scoring will take place by City staff and the applicant will be notified if approved or denied.
- If approved, the applicant will be required to sign, under penalty of perjury, a grant agreement stating the applicant has not accepted/will not accept other federal, state, or local loans/grants for the SAME purpose for which the business will receive SBEG funds from the City. Other fund sources include, but are not limited to, SBA Disaster Loans and the Paycheck Protection Program (PPP). The agreement requires that if the business does so accept such other assistance the business will immediately notify the Community Development Department and may be required to reimburse the City some of all SBEG funds.

What supplemental documents must an SBEG applicant submit with the application?

The following is an example of additional documents that may be required with the application that are relevant to your business:

- Most recent business tax return filed, or personal tax returns for all owners with 20% or more ownership interest.

- IRS W-9 form
- Profit and Loss Statement for the prior year and quarterly for the current year (or profit and loss for March, April, May 2019 and March, April, May 2020)
- Bank statements for the prior two months
- Current balance sheet if no older than 90 days
- Statement of cash flows
- Payroll reports for prior year and quarterly reports for current year
- IF YOU ARE A LOW/MOD INCOME OWNER OF A MICRO ENTERPRISE, you most recent personal tax returns are required.

**The City of Rome reserves the right to ask for further information under this program in order to approve applications and/or process payments, including but not limited to, paystubs, cancelled checks, receipts, etc.*