

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) COVID-19 SMALL BUSINESS RELIEF LOAN PROGRAM ROUND 2 APPLICATION

PROGRAM GUIDELINES

The City of Moline has launched the COVID-19 Small Business Relief Program Round 2 to assist small businesses that have been negatively impacted by COVID-19. The COVID-19 Small Business Relief Program Round 2 will be using approximately \$65,000 in Community Development Block Grant funds that were awarded under the CARES Act to provide much needed capital to small businesses in an effort to retain jobs and stabilize Moline businesses. Assistance will be provided to eligible businesses in the form of a forgivable loan. The loan will be forgiven in three months as long as certain conditions are met. The “forgivable” feature of the loans rest on the ability of the small business borrower to remain operational for three months after receipt of the funds and retain at least one job that is held by those of low or moderate income (full time equivalent), meaning those earning less than 80% of the annual Area Median Income (AMI). In Moline, the annual AMI for a single person is \$42,250.

Please note: There is a potential that additional CDBG CARES Act assistance may be available in early Summer 2021. Indications are that assistance will be in the form of \$10,000 forgivable loan. It is also anticipated that veteran, disabled, minority and woman business owner’s will be given first preference. If this future assistance program comes to a fruition, then any business awarded a forgivable loan in this round of assistance will not be able to receive a forgivable loan under the 2021 Summer program.

The maximum forgivable loan is \$5,000 per business. At the time the funds are awarded, the business must meet the federal CDBG national objective of 51% or more of the workforce must be part of a low to moderate income household.

Completed applications will be reviewed by the selection committee. Applications will be accepted beginning March 30, 2021, through April 30, 2021, (5:00 pm central time). Applicants may submit their application on the City’s FORWARD Platform <https://forward.livestories.com/login>, City’s website, www.moline.il.us; email their application to kwhitley@moline.il.us or mail (postmarked by April 30,2021) to:

**City of Moline
Community & Economic Development Department
CDBG COVID-19 Small Business Relief Program Round 2
619 16 Street
Moline, IL 61265**

Questions can be directed to KJ Whitley at (309) 524-2044 or kwhitley@moline.il.us

Once closed, completed applications will be reviewed on May 3, 2021, by the selection committee for accuracy and compliance with the program criteria. Limited funding is available. Awards will be given out until funding is exhausted.

Program Eligibility Requirements

- Small businesses having at least two employees, including the owner (s), but no more than 50 employees;
- Business must be actively operational or will be operational within ten days of this assistance and remain operational for at least three months (otherwise funds are subject to repayment);
- Must be in and maintain compliance with all State and local orders related to COVID-19, including, but not limited to, the Illinois Department of Public Health;
- Be a for-profit entity (i.e., a sole proprietorship, partnership, corporation, or LLC) negatively impacted by COVID-19;
- Have a physical establishment in the City of Moline (home-based businesses do qualify but funding cannot pay for rent or mortgage in that situation);
- Provide goods or services to multiple clients or customers;
- Be current, or in a payment plan, on all local, state, and federal taxes due through 1/1/2021;
- Have an active and valid state license(s)/registration(s), if applicable;
- Corporately owned national or regional chain businesses are not eligible. Locally owned franchises or chain businesses are eligible.

Eligible Expenses

- Mortgage payments for the business's principal place of business or other such business location in the City of Moline. Mortgage payments for businesses that are located in an owner's primary residence are not eligible.
- Rent payments for the business's principal place of business or such other business location in the City of Moline. Rent payments for businesses that are located in an owner's primary residence are not eligible.
- Utility payments such as electric, gas, and trash removal for the business's principal place of business or such other business location in the City of Moline. Utility payments for businesses that are located in an owner's residence are not eligible.
- Salaries or wages of all employees directly employed by the business. Contract employee salaries or wages are not eligible. *****The primary goal of this fund is to retain jobs. Your own job is allowable under this fund if you have been paying yourself a salary or can otherwise show your income has (whole or in part) come from your business*****
- Operational expenses such as inventory.
- Personal protective equipment.
- Other expenses may be considered based on need and industry.

Funding

The maximum forgivable loan is \$5,000 per business. At time of award the business must meet the federal CDBG national objective that 51% or more of the workforce must be a part of a low to moderate income household. A low to moderate employee may utilize the business address for income verification.

The Self Certification of Annual Income Form, See Appendix A, is attached to this application. Businesses should print separate copies to fill out for each employee.

Household Size	Annual Household Income
1	\$42,250 or less

Applications will be reviewed and evaluated for eligibility against the criteria set forth in the Program Guidelines. Applications will be scored against the five criteria set forth in Exhibit A. Approved applicants will be required to sign a Loan Agreement that outlines the terms of the forgivable loan. Approved applicants will be required to comply with all conditions of the program. At the end of the three month period of retention, the applicant will be required to provide the City of Moline with reporting documentation as proof of compliance. See Exhibit B. If the applicant fails to comply with the terms of the loan, he/she will be required to repay the loan amount to the City within 30 days of the declared default or upon such other terms as the Parties may agree.

**EXHIBIT A
CITY OF MOLINE
COVID-19 SMALL BUSINESS RELIEF LOAN PROGRAM ROUND 2
Scoring Criteria**

First, staff will verify business eligibility based on self-reported data submitted in the application for the eligibility criteria set forth in the Program Guidelines.

Second, the selection committee will review and evaluate eligible applications based on five criteria and assign a score from 0 to 100.

1. Benefit to Low and Moderate Income Persons
2. Job Retention
3. Activity Need and Justification
4. Experience and Past Performance
5. Application Completeness

Selection criteria are weighted as follows:

Benefit to Low and Moderate Income Persons – Points will be given to activities that benefit at least 51 percent low and moderate income persons

- Activity benefits more than 51 percent low and moderate income persons 20 points
- Activity benefits 51 percent low and moderate income persons 10 points
- Activity benefits less than 51 percent low and moderate income persons 0 points

Job Retention – Points will be given for retaining positions

- 8 or more jobs retained 20 points
- 4 – 7 jobs retained 10 points
- 1 – 3 jobs retained 5 points

Activity Need and Justification – The activity will be evaluated in terms of the documentation and justification of the need for the activity that prepares for, prevents or responds to COVID-19

- Excellent documentation & justification with a clear connection to COVID-19 20 points
- Good documentation & justification with a moderate connection to COVID-19 10 points
- Average documentation & justification with a poor connection to COVID-19 5 points

Experience and Past Performance – The experience of the applicant, including length of time in business and experience in undertaking activities of similar nature as the ones for which funds are being requested, will be evaluated

- Maximum of 20 points awarded

Application Completeness – The application will be evaluated for completeness, including signatures and all supporting documentation

- Applications will receive a maximum of 20 points based on completeness, including signatures and all supporting documentation