



ST. CLOUD, FLORIDA

CDBG Small Business Assistance Grant Program

Policies & Procedures

**APPLICATIONS WILL BE ACCEPTED FIRST COME,
FIRST SERVED BEGINNING October 30, 2023**

I. PURPOSE

The City of St. Cloud, Florida will invest up to \$328,100 through its Community Development Block Grant (CDBG) program funded by the US Department of Housing and Urban Development (HUD) to assist small businesses located within the City of St. Cloud, Florida with financial assistance for eligible economic development activity including job creation and/or retention.

Under this program, funding will be used to provide one-time business grants of up to \$30,000.00.

The following requirements, selection criteria and procedures will be adhered to during the grant selection and disbursement process:

II. FUNDING REGULATIONS

This grant program is funded by HUD via the Community Development Block (CDBG) funds. The purpose of this program is to avoid job loss caused by economic hardships due to increasing inflation and post-COVID labor and supply chain disruptions by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons. Business owners and/or affected employees must meet HUD LMI income eligibility. Eligibility will be determined through an application process and must meet project guidelines.

III. ELIGIBILITY REQUIREMENTS

Businesses must meet ALL of the following criteria to qualify for grant award consideration:

- Must have a commercial business location within the city limits of St. Cloud.
- Must be a for-profit business.
- Must have \$1 million or less in annual gross revenue (for calendar year 2022).
- Must have 50 or fewer W-2 employees (including the owner(s) of the business).
- Must be structured as a sole proprietorship, partnership, corporation, S corporation. (S subchapter) or limited liability company (LLC). Individuals who are self-employed are also eligible to apply.

- Must be owned by a person whose annual income is at or below the HUD low to moderate income guidelines for the City of St. Cloud; or, the business must retain at least one low to moderate income job / position for at least three (3) months, or the business is located in a Low to Moderate Area (LMA) area that benefits a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.
- Must have been in operation in the St. Cloud, Florida for a minimum of 2 years, and must be currently in compliance with all city, state or local regulations or requirements.
- Must not have any outstanding liens, violations or debts owed to the City.

The following business types are specifically ineligible for assistance per HUD guidelines:

- Nonprofit organizations/businesses;
- Businesses that involve the sale of medical or recreational cannabis;
- Private club or business that limits membership for reasons other than capacity;
- Businesses engaged in the production or wholesale selling of tobacco products, vaping, liquor or sexually explicit materials;
- Businesses engaged in the production or wholesale/retail selling of firearms;
- Pawnshop, liquor store, adult bookstore, non-therapeutic massage parlor, strip club or nightclub;
- Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Home-based businesses;
- Financial businesses primarily engaged in the business of lending such as banks, finance companies, advance payday store, etc.
- Storage facility, trailer-storage yard or junkyard;
- A business in which a majority owner or member of the immediate family is an elected official or employee of the City of St. Cloud, Florida;
- An establishment similar to any enumerated above; or
- Businesses deemed ineligible by the US Department of Housing and Urban Development (HUD) or the City of St. Cloud.
- Multiple applications/applicants may not simultaneously compete for funding for the same property parcel or address.

CDBG 2023 Income Qualification Categories

Persons per Household	Max Adjusted Gross Income
1	49,150
2	56,200
3	63,200
4	70,200
5	75,850
6	81,450
7	87,050
8	92,700

IV. ELIGIBLE EXPENSES

Businesses may receive reimbursement under this program for only the following documented business expenses incurred during a three month period from the date funds are awarded:

- Rent / Mortgage Payments
- Utilities (Electric, Natural Gas, Water, Telephone, etc.)
- Employee wages

Ineligible expenses specifically include but are not limited to the following expense categories:

- Accounts payable
- Inventory / merchandise
- Renovations to, modifications of, or expansions of existing buildings
- Reimburse expenses incurred prior to Applicant approval of grant.
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business.
- Purchase personal expenses such as buying a new family car or making repairs to a participant’s home.
- Direct financing to political activities or paying off taxes and fines.
- Purchase of personal items
- Support of other businesses in which the borrower may have an interest.

V. GRANTMAKING

Businesses meeting the requirements above shall be considered eligible for a \$30,000 maximum grant award to assist with up to three (3) months of qualifying expenses. No grant may exceed \$30,000.

The City will disperse grant fund award payments directly to the applicant in two (2) separate payments. The first payment upon award; the last payment after 90 days and proof of job retention.



Awardee must provide the City with an IRS W9 form (Request for Taxpayer Identification Number and Certification) and a DUNS number.

The City will attempt to fund as many qualified applicants as possible. Applications will be accepted and processed on a first come, first served basis beginning October 30, 2023.

VI. HOW TO APPLY

Business owners may download the application for the City of St. Cloud’s Small Business Assistance Grant at the following web address: <https://www.stcloudfl.gov/CDBGgrants>.

Qualifying businesses selected to receive grants will be contacted by City staff with a request to submit additional documentation prior to issuance of grant award.

Applications will be reviewed by St. Cloud, Florida staff. **If an application is incomplete and requires additional documentation, applicants will be notified and given four (4) business days to respond or submit necessary documentation. If the applicant is unable to complete the application, it will be deemed inactive and the application will be withdrawn from consideration.**

The most common types of supporting documents to substantiate the eligibility of reimbursable expenses are receipts, invoices, and proofs of payment. Below are examples of the forms of documentation that will be requested:

Itemized Receipt	Invoice	Proof of Payment
An original document from the merchant showing:	An original document from the merchant showing:	Needed in tandem with an invoice. The following are common proofs of payment.
<ul style="list-style-type: none"> • Merchant’s Name • Transaction Date • Amount Paid • Description of purchased item(s) • Description of additional charges (taxes, service, delivery, etc.) • Form of payment used 	<ul style="list-style-type: none"> • Merchant’s Name • Invoice Date • Amount Billed • Description of billed item(s) <ul style="list-style-type: none"> • Description of additional charges (taxes, service, delivery, etc.) 	<ul style="list-style-type: none"> • Photocopy of a cancelled check (front and back) • Credit card sales slip • Monthly credit card Statement • Monthly bank Statement

In addition to expense documentation, applicants will also be required to provide the following:

- A copy of the applicant’s government-issued identification card or driver’s license.



- Applicant's most recently completed 2022 IRS Form 1040 (all owners 51% or business or more), Schedule C (sole proprietorship), Form 1120 (corporations), and other IRS forms as may be necessary to evidence for-profit business status and \$1 million or less in annual gross revenue.

VII. SELECTION AND DISBURSEMENT PROCESS

Businesses can download the application at the link above. Applicants will be required to submit evidence, testimony or documentation detailing need for grant funds.

During the application process, applicants will be asked to provide personal information including name, address, phone number, gender, race, and ethnicity of owners to satisfy federal CDBG reporting requirements.

The City will fund as many qualified applicants as possible, as funding allows.

Grantees will be required to enter into a CDBG Grant Agreement with the City.

Grant funds shall be reimbursed to the Grantee for all costs permitted by Federal and Grantor guidelines. In no event shall the Grantor provide advance funding to the Grantee hereunder.

The Grantee shall submit to the Grantor a maximum of two invoices; one invoice after grant commitment and one final invoice after completion of job retention for a minimum of ninety (90) days from the date of the Grant Agreement. Requests for disbursement of Grant funds shall be submitted via email to CDBG@stcloudfl.gov and accompanied by an **Invoice Cover Sheet** and supporting documentation for each eligible cost to be uploaded as a required document via CDBG@stcloudfl.gov.

Invoices received from the Grantee pursuant to this Agreement shall be reviewed and approved by Grantor to verify that the funds have been expended in conformity with the Agreement. Proof of retention of at least one full time equivalent (FTE) job will be reviewed and approved by Grantor to verify conformity with the Agreement.

Grantor will provide assistance to Grantees in two separate payments. Upon grant approval, Grantor will process for payment 50% of the approved amount. After 90 days from the date of the Grant Agreement, the applicant may request the remaining 50% of the grant amount upon providing proof via payroll documentation for the 90 day period that at least one eligible job has been retained. This documentation includes completion of the Initial Payroll Report and a payroll report for the 90 day period.

Invoices will normally be paid within thirty (30) days following Grantor's final approval.



This grant is intended for business expenses incurred on or after the date of the award and three months following.

The City reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the City's best interest to do so. The City further reserves the right to establish the amount of grant funds awarded; raise the individual grant ceilings; and to award funds to other applicant(s) should funds become available due to de-obligation, etc.

VIII. GRANT TIMELINE

On-line applications will be accepted starting on October 30, 2023.

Grant award disbursements will start immediately and continue until funds are exhausted.

Applications will continue to be accepted until funds are exhausted or notice is earlier provided.

The application, review, and award process will generally follow these steps:

1. Applicant submits on-line application.
2. City staff reviews the submitted application to confirm initial eligibility.
3. City staff contacts all applicants to confirm findings:
 - Eligible applicants are directed to submit required documentation.
 - Ineligible applicants are provided an opportunity to revise and resubmit an application if eligibility is possible.
4. City staff reviews applicant's submitted required documentation for conformity with HUD requirements.
5. City staff drafts CDBG Grant Agreement and forwards it to applicant for review and execution.
6. Upon receipt of applicant's executed Grant Agreement, the City Manager or her designee will execute the agreement on behalf of the City.
7. Grant funds will be disbursed by the City to the awardee.
8. City staff may follow up with the awardee to provide additional documentation to the City.

IX. CONTACT FOR QUESTIONS

City of St. Cloud Economic Development Department

<https://www.stcloudfl.gov/CDBGgrants>

CDBG@stcloudfl.gov

[\(407\) 957-7234](tel:(407)957-7234)

X. OTHER TERMS

A. **PROGRAM MARKETING:** Program marketing will be conducted by the City. Examples of marketing include a press release posted to the City's website and social media platforms, distribution of information about the program to the City of St. Cloud Chamber of Commerce, and Small Business Development Centers, and other local small business focused organizations. Acceptance of grant signifies approval of inclusion onto city's marketing including but not limited to photography and social media posts.

B. **EQUAL OPPORTUNITY COMPLIANCE:** The program will be implemented in ways 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 program funds on the basis of his or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

C. **APPLICANT CONFIDENTIALITY:** All personal and business financial information will be kept confidential to the extent permitted by law. Files submitted by applicants with personal and business confidential information will be securely stored.

D. **DISPUTE RESOLUTION/APEALS PROCEDURE:** Applicants whose applications are not selected or 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 applicants, appeal in writing to the Community Development Director of the City of St. Cloud or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Program Manager, or the appointed Designee, will review the content of the City's COVID19 CDBG-CV Small Business Assistance Grant Program Policy & Procedures, 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.

E. **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 this document.