



Small Business Rent & Debt Relief Grant Guidelines

The Revive Santa Ana Small Business Rent & Debt Relief Grant provides a maximum of \$25,000 grants to eligible small businesses to aid in recovery and to address negative economic impacts from the COVID-19 pandemic. The support is targeted to current Santa Ana small businesses that have been in operation as of 2018, have 25 or less employees, sustained a decrease in revenue due to pandemic impacts, and that are in need of funds to pay past due rent or for payments to loans or credit cards for debt that was incurred to maintain operations.

This grant program is funded with authorization from the American Rescue Plan Act (ARPA) through U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

A total of \$1,500,000 is available for this grant.

I. Size of the grant:

The maximum grant amount is calculated on the loss of business revenue for tax years 2020, 2021, and 2022 calculated on the base year of 2019, not to exceed \$25,000.

Example of maximum grant amount: \$15,000

| Tax Year | Gross Sales | Loss of Revenue |
|------------------------------|-------------|------------------|
| 2019 | \$100,000 | Base Year |
| 2020 | \$90,000 | \$10,000 |
| 2021 | \$95,000 | \$5,000 |
| 2022 | \$125,000 | NA |
| Total Loss of Revenue | | \$15,000* |

***Maximum grant amounts are limited to \$25,000**

Revenue is determined based on the IRS tax form definition of “Gross Sales” (less any returns and allowances) as reported on Line 1.c. on both the 1120 (corporate return) or 1120S (S-Corp return); on Line 3 on IRS Schedule C for single member LLCs and sole proprietorships; on Line 1.c. on Form 1065, for partnerships. Schedule E is not eligible.

Businesses must be able to document the planned use of the grant funds for an eligible use on the application: (1) past due commercial property rent and/or (2) payments to loan/credit card debt incurred for operations. Grant funding will only be released in the amount to cover the past due rent and/or debt relief. Funding is limited and not all applications will be awarded. Submitting an application is not a guarantee of funding.

Please note: Applicants are not required to be behind on rent to qualify for the program. Eligible businesses that prioritized paying rent over business expenses during the pandemic are encouraged to apply. These businesses may receive business debt relief.

II. Business must have been negatively impacted by the COVID-19 pandemic:

- Businesses must have suffered a loss of revenue and demonstrate decrease in revenue from tax year 2019 to 2020. Businesses documenting a 20% decrease in revenue will receive priority, as well as businesses that have not received City funding since commencement of the pandemic.
- Business owner(s) must certify that their business is in need of grant funding due to suffering revenue loss and substantial negative business impacts due to the pandemic.
- Verification of business revenue is required for tax year 2019, 2020, 2021 and 2022 via business tax returns. IRS Form 4506-C, IVES Request for Transcript of Tax Return will need to be completed and submitted.

III. Eligibility Requirements:

Businesses must meet the following eligibility requirements:

- For-profit business located in Santa Ana in operation as of 2018
- Valid and Active Santa Ana Business License
- Valid Certificate of Occupancy (if required by the City)
- Business owner identification
- Must be a small business documented at the time of application by having 25 full-time equivalent (FTE) employees or less
- Must have a brick and mortar location/physical location in Santa Ana
- Must have been in operation at the current location as 2018 and provide documentation via one of the following:
 - Santa Ana Business License
 - Certificate of Occupancy
 - Commercial Lease Agreement
 - Business Tax Returns
- Must document the loss in revenue through the complete annual IRS business income tax filings. IRS Business Tax filings must include the following forms:
 - For sole proprietors and single member LLC's (IRS Form 1040 Schedule C)
 - For partnerships (IRS Form 1065)
 - For S-Corporations (IRS Form 1120-S)
 - For C-Corporations (IRS Form 1120)
 - LLCs should follow the instructions that apply to their tax filing status in the reference periods
- A business cannot receive more in grant funding than the total revenue loss

Businesses approved for funding must provide the City the following prior to funding:

- **Unique Entity ID (UEI):** Business must be registered and obtain a Unique Entity ID (UIE) through SAM.gov. Visit the following link to register or look up the business UEI: <https://sam.gov/content/entity-registration>
- City Vendor Forms, IRS form W-9, and IRS form 4506-C
- ACH form for direct deposit of grant funds to a business account.

Ineligible Businesses:

The following types of businesses are not eligible for the program:

- Businesses that have received City of Santa Ana business grant funding that exceeds the loss of revenue are not eligible
- Businesses without a physical location in Santa Ana
- Home based businesses
- Independent contractors
- Passive businesses and investment companies and investors who file a Schedule E on their personal tax returns
- Businesses engaged in any activity that is illegal under federal, state, or local law
- Businesses engaged in financial or lending activities, and leasing
- Commercial or residential rental businesses
- Businesses with active code enforcement violations
- Businesses with 25 or more full-time equivalent (FTE) employees
- Businesses with any owner of greater than 10% of the equity interest that meets either of the following:
 - The owner has, within the prior three years, been convicted of or had a civil judgment rendered against the owner, or has had commenced any form of parole or probation, including probation before judgment, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local public transaction or contract under a public transaction, violation of federal or state antitrust or procurement statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - The owner is presently indicted for or otherwise criminally or civilly charged by a federal, state, or local government entity, with commission of any of the offenses enumerated in clause above.

IV. **Eligible Expenses of Grant:**

Grant funds may be used for the following:

- Payment of past due rent and fees. Past due rent and fees must be documented at the time of application with a **lease agreement and** one of the following:
 - Invoice from the leasing company/property owner;
 - Official letter from the leasing company/property owner or;
 - Rent ledger from leasing agent/property owner
- Payment of business operating expenses that were placed on a business loans/credit cards. Loans and credit card debt must be documented at the time of the application with the following:
 - **Credit Cards:** 1) Credit card statements demonstrating operating expenses to pay, and 2) most current credit card statement documenting outstanding debt.
 - **Loans:** Bank account records demonstrating 1) loan deposits, 2) operating expenses to pay, and 3) most current loan statement documenting current outstanding debt.

The maximum grant amount is limited to the documented loss of revenue, not to exceed \$25,000.

Ineligible Expenses of Grant:

- Expenses that have been or will be reimbursed by forgivable loans, grants or other funding sources
- Expense not eligible through from the American Rescue Plan Act (ARPA) through U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
- Expenses to fund any business other than that which is receiving the grant

V. **Grant Application Period:**

The grant application will be available from June 15 through August 15. A second application period may open if funds are remaining after all approved applications are funded.

VI. **Priority and First Come First Serve Basis:**

Applications will be reviewed on a first come first serve basis, and funded through the following priority groups until funds are exhausted:

Businesses that HAVE NOT received previous *City grant funding:

Priority 1) Businesses that experienced a **20% or more decrease in revenue** from 2019 to 2020 **and** that **have not** received *City grant funding since the pandemic commenced.

Priority 2) Businesses that experienced **any decrease in revenue** from 2019 to 2020 **and** that **have not** received *City grant funding since the pandemic commenced.

Businesses that HAVE received previous *City grant funding:

Priority 3) Businesses that experienced a **20% or more decrease in revenue** from 2019 to 2020 **and** that have received City grant funding since the pandemic commenced.

Priority 4) Businesses that experienced any decrease in revenue from 2019 to 2020 and that have received *City grant funding since the pandemic commenced.

**City grant funding in this reference excludes the Revive Santa Ana Business Program \$1,000 grants. Businesses that have received these grants are still eligible for priority 1 and 2.*

VII. Disbursement of Funds:

Funds will be disbursed to eligible approved applicants after the close of the application period with Priority 1 applicants receiving the first round of funding. This will be followed by additional rounds to fund businesses in priority order until funds are exhausted.

Grant recipients will receive the approved funding in one disbursement via and Electronic Funds Transfer or Automated Clearing House (EFT or ACH).

Applicants will receive email notifications of grant approvals and grant of disbursements.

VIII. Reporting Guidelines:

Businesses are required to report how the funds were spent in accordance with the program requirements via a city provided portal and will need to provide the following:

- Certification regarding the use of grant funds will be required
- Documentation of the paid grant expenses (canceled checks, bank statements, credit card transactions) to document the authorized expenditures (past due rent and/or debt).

Post-expense reports are due as soon as possible after expenditure of all grant funds, but no later than 6 months after receipt of the grant. **Funds not expended within 6 months, will need to be repaid to the City.**

IX. Grant Administration:

The City of Santa Ana’s Economic Development Division will administer the grant program. The City will accept, review, approve applications, and issue grant payments.

X. Grant Application & Reporting Assistance:

Business owners who need assistance in completing the application are encouraged to contact the City of Santa Ana’s Economic Development:

- Economic Development Email: econdev@santa-ana.org
- Business Resource Hotline: (714) 647-5477

XI. Business Resources and Technical Support:

The City encourages all businesses to connect with the Orange County Inland Empire Small Business Development Center (OCIE SBDC) for additional business resources and support.

The OCIE SBDC offers business consulting, training, and online courses to entrepreneurs and business owners **at no cost.**

- OCIE SBDC Website: www.ociesmallbusiness.org
- OCIE SBDC Phone Number: (800) 616-7232

XII. Certifications:

Business Owner will certify to the following:

- Applicant has the authority to apply for this grant on behalf of the business described herein.
- Business Owner agrees to submit post-expense reports via an online portal, as soon as possible after expenditure of all grant funds, but no later than 6 months after receipt of the grant. **Funds not expended within 6 months, will need to be repaid to the City.**
- Business Owner agrees to provide the City of Santa Ana its employees and representatives additional documentation for audit and reporting purposes and to assess the benefits derived from participating in the program. Such information may include, but is not limited to, profit loss statements, payroll records, and income certifications of new or retained employees. Business authorizes the release of said information to local, State and/or Federal agencies and to City of Santa Ana staff within five years of this date.
- Business owner certifies that any owner with greater than 10% of the equity interest in the business does NOT meet one or more of the following criteria:
 - The owner has, within the prior three years, been convicted of or had a civil judgment rendered against the owner, or has had commenced any form of parole or probation, including probation before judgment, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local public transaction or contract under a public transaction, violation of federal or state antitrust or procurement statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - The owner is presently indicted for or otherwise criminally or civilly charged by a federal, state, or local government entity, with commission of any of the offenses enumerated in clause above.
- This grant program is supported with funding from the American Rescue Plan Act (“ARPA”) Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”), to provide monetary support to local governments to respond to, mitigate, and recover from the COVID-19 public health emergency. According to Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statement to any department of the United States Government. Business understands that any willful misrepresentation on this application could result in a fine and/or imprisonment under provision of the United States Criminal Code U.S.C. Title 18, Section 1001.
- Business Owner agrees that if awarded, the application becomes a binding contract between the Business and Business Owner and the City of Santa Ana. Any violation of the program guidelines will result in the Business and Business Owner promptly repaying the City any amount issued pursuant to this program.
- Business Owner understands that City reserves the right to reject any and all applications.