



## Application – Small Business Assistance

September 28, 2020 (re-issued release)

June 12, 2020 (original release)

### Anticipated Timeframe

September 2020	Re-Distribution of application
October 30, 2020 @ 4:30pm	Deadline to return application (Step 1)
November 2, 2020	Staff's commencement of Step 2
December 2020	Anticipated release of funding to businesses

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Questions may be directed to Joseph Murphy, Director of Planning, E [joem@romi.gov](mailto:joem@romi.gov) P (248) 246-3285

## Small Business Assistance Program

The Royal Oak City Commission has set aside \$265,263 of its special allocation of Community Development Block Grant funds (CDBG-CV) from the enactment of the CARES Act to provide financial assist to small businesses in Royal Oak effected by COVID-19.

The Royal Oak CDBG-CV Small Business Assistance Program is a loan designed to provide short-term working capital which enables small businesses to remain prosperous and retain or create jobs held by persons living in low- to moderate-income households.

The City of Royal Oak will forgive loans, after six (6) months, if the assisted small business can demonstrate that it successfully created new jobs or retained existing jobs for at least 51% of its employees living in low- to moderate-income households for a six (6) month period and that the loan was used for payroll, rent, mortgage interest, or utilities.

### Purpose

On March 13, 2020, President Trump declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all States, territories, and the District of Columbia. Many small businesses nationwide are experiencing hardship as a direct result of the Federal, State and local health measures that are being taken to minimize the public's exposure to the virus. These measures include the closures of various businesses. Public health practices such as keeping a safe distance from others or even staying home have resulted in a dramatic decrease in economic activity as the public avoids traditional places of business.

This program will provide emergency financial assistance to small businesses affected by COVID-19. The federally-funded program is predicated on retaining or creating permanent jobs, at least 51% of which (computed on a full-time equivalent basis) will be made available to or be held by persons living in low- to moderate-income households.

## **Eligibility of Small Businesses**

For the purpose of this program, the following entities affected by COVID-19 may be **eligible**:

- below listed types of businesses with no more than 50 employees; combination of full-time and part-time employees
- at least 51% of all employees must be persons that certify living in low- to moderate-income households
- businesses located outside the boundary of the Royal Oak Downtown Development Authority's Rebound Royal Oak Small Business Assistance Program
- restaurants (dine-in or carry-out and with or without sale of alcohol)
- general retail sales *excluding food and beverage which continued operate as essential businesses under an Executive Order*
- personal services such as hair, nails, make-up, florist, dry cleaners w/ storefront, clothing and shoe repair / alteration, animal grooming, veterinary services, photograph, etc.
- hotels
- fitness centers & personal training studios
- entertainment facilities such as movie theatres, billiard halls, etc.
- the above listed business types must have maintained a tenant space / operational storefront within the city limit since the March 1, 2019

Below is a list of those **ineligible** to participate:

- those defined as and continued to operate as essential businesses under an Executive Order
- for-profit businesses with greater than 50 employees; total includes full-time and part-time employees
- those with fewer than 50 employees but franchise-owned or affiliated
- not-for-profit agencies
- faith-based organizations
- professional, medical, dental, physical therapy, chiropractic, pediatric, optical, etc.
- industrial land uses
- mobile land uses such as food trucks
- sole proprietor businesses
- home-based businesses
- adult-oriented businesses
- non-conforming land uses
- businesses in or entering bankruptcy or default
- business or property owners with outstanding building code or property maintenance violations
- businesses located on property subject to late real property taxes or under a payment plan
- businesses eligible to participate in the Royal Oak Downtown Development Authority's Rebound Royal Oak Small Business Assistance Program
- businesses currently funded from another assistance program (e.g. SBA's Paycheck Protection Program, SBA Economic Injury Disaster Loan Program, US Chamber of Commerce Foundation Save Small Business Fund, programs coordinated and administered by the Oakland County Stabilization Fund, any State of Michigan program, any other local, state, or national program designed in response to COVID-19)

- HUD regulations specifically prohibit assistance to the following: assistance to privately-owned recreational facilities, such as a golf club, that serve a predominately higher income clientele where the benefit to users clearly outweighs the benefit of jobs created or retained & assistance to a for-profit business that is subject to unresolved findings or noncompliance related to previous CDBG assistance or that has been federally suspended, debarred, or determined to be ineligible to participate in federal assistance or federal-funded program

### **Loan Amounts Available**

Loans will be limited to and based upon up to two (2) months of eligible rental or payroll expenses not to exceed a total value of \$15,000. For owner-occupied businesses, up to two (2) months of eligible payroll expenses not to exceed a total value of \$15,000. Loans shall be processed based on an applicant's timeliness, accuracy of responses/requests and completeness. The issuance of loans shall be based on the total available funds.

### **Terms of Loan**

All loans are eligible for forgiveness after six (6) months of issuance if the assisted business provides the federally required data to demonstrate compliance with job retention / creation of persons living in low- to moderate-income households.

### **Loan Securitization**

Loans are only available if the assisted business can demonstrate the required job statistics highlighted below. All loans will be secured by a written agreement between the City of Royal Oak and the assisted business with penalties and repayment of the full loan amount for default, noncompliance or inability to fulfill commitment to job creation or retention.

### **Job Retention / Creation Verification – To Determine Eligibility**

The federally-funded program is predicated on creating or retaining permanent jobs, at least 51% of which (computed on a full-time equivalent basis) will be made available to or be held by persons living in low- to moderate-income households. *If the business type is eligible to participate in the program, staff will then reach out to the applicant for the additional information to further ensure eligibility.*

The table in the required form is utilized to determine if person lives in low- to moderate-income households. Income eligibility is based on the number of individuals per household in comparison to HUD's 2020 Area Median Income (table below). Employees must complete an income self-certification form. All forms must be collected by the employer and submitted to staff of the city's community development department to determine initial eligibility.

During Step 2, city staff will request electronic copies of payroll reports for the first week of the last five to six months. Additional, information my be requested.

Payroll reports will be utilized to determine the number of full- and part-time employees at given times. Names provided on payroll reports will be compared to submitted income certification forms to determine the percentage of employees living in low- to moderate-income households. Businesses should redact employee social security numbers for privacy.

Created or retained jobs are only considered to be available to low- to moderate-income persons when:

(a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are *not* a prerequisite to fill such job, or the business agrees to hire unqualified persons and provide training; and

(b) The City of Royal Oak, via an agreement, requires the assisted business to ensure that low- to moderate-income persons receive first consideration for filling such jobs.

## Royal Oak CDBG Small Business Assistance 2020 Self Certification & Information Form

Funding for the city's Small Business Assistance program is provided via the City of Royal Oak's Community Development Block Grant funding from the CARES Act. CDBG is a federally funded program through the U.S. Department of Housing & Urban Development (HUD), administered locally by the City, designed to serve low- and moderate-income households.

HUD requires the collection, verification and reporting of statistical data on participating households. **Participating businesses must have employees complete this form to receive financial assistance.** It is only through your cooperation that the city can provide this program. Businesses will be required to provide employment statistics.

Please check the boxes below that indicate your current household size & total household income. Include the total income from all household members over 18 years of age. Do not include current unemployment benefits.

**circle applicable income based on household size**

2020 HUD income limits - effective 04/01/2020

persons in family	extremely low-income	30.1-50% MFI very low-income	50.1-80% MFI low-income	80.1+% MFI not low or moderate income
1 person	\$0 - \$16,500	\$16,501 - \$27,500	\$27,501 - \$44,000	\$44,001+
2 persons	\$0 - \$18,850	\$18,851 - \$31,400	\$31,401 - \$50,250	\$50,251+
3 persons	\$0 - \$21,720	\$21,721 - \$35,350	\$35,351 - \$56,550	\$56,551+
4 persons	\$0 - \$26,200	\$26,201 - \$39,250	\$39,251 - \$62,800	\$62,801+
5 persons	\$0 - \$30,680	\$30,681 - \$42,400	\$42,401 - \$67,850	\$67,851+

Median Family Income: \$78,500

Detroit-Warren-Livonia, MI HUD Metro FMR Area

**required consent – check box**

COVID-19

I certify that my household income and financial circumstances have diminished due to COVID-19. Additionally, I certify that my household is not currently receiving a duplication of benefits for the services provided by this not-for-profit.

**Is the head of household female?**  Yes  No

**Check the box indicating the ethnicity of the head of household.**

- Not Hispanic / Latino
- Hispanic / Latino

**Check the box indicating the race of the head of household.**

<input type="checkbox"/> American Indian or Alaskan Native only	<input type="checkbox"/> American Indian or Alaskan Native AND White
<input type="checkbox"/> Asian only	<input type="checkbox"/> Asian AND White
<input type="checkbox"/> Black or African American only	<input type="checkbox"/> Black or African American AND White
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander only	<input type="checkbox"/> American Indian or Alaskan Native AND Black/African American
<input type="checkbox"/> White only	<input type="checkbox"/> Multi-Race (not listed)

**Certification:** I certify that the information provided on this form, as required by HUD, is accurate and complete, and that I am a resident of the City of Royal Oak, Michigan. I further acknowledge that eligibility for services funded through the city's CDBG program are based upon having qualified annual household incomes and that the income levels that I have indicated in this self-certification form may be subject to further verification by the City of Royal Oak and/or HUD. I acknowledge that providing false information shall be grounds for termination from the program and may constitute complete financial reimbursement to the CDBG program for such services. I therefore authorize such verification and will provide supporting documents if requested.

Signature; print or electronic	Street Address, City, State, Zip Code
Print Name of Employee	
Date	

### **Job Retention / Creation Verification – After Direct Financial Assistance**

The assisted business will be required to provide payroll reports for the first full week of each month for a period of six (6) months after an agreement is executed and financial assistance is provided. The payroll reports will demonstrate compliance with job creation or retention requirements. Compliance will mark the closure of the assistance and forgiveness of the loan. Noncompliance or default will trigger terms of loan repayment.

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## **Application Review Process**

### **1<sup>st</sup> Step**

Complete business information (below) and submit electronically to [joem@romi.gov](mailto:joem@romi.gov)

Staff from the city's Community Development Department will determine business eligibility.

### **2<sup>nd</sup> Step**

Staff will e-mail the applicant requesting payroll reports, self-certification forms for employees, federally-required statistics, lease documentation, landlord / leasing agent contact information, etc. This documentation will be reviewed to determine the economic conditions of the business and eligibility relative to percentage of its workforce living in low- to moderate-income households.

### **3<sup>rd</sup> Step**

Eligible businesses will be provided with a draft agreement regarding the issuance of loan, job creation or retention reporting requirements, terms and conditions, etc.

### **4<sup>th</sup> Step**

Upon execute of the agreement, the city will provide 100% of the financial assistance to the loan recipient. The terms and conditions of the agreement shall become effective.

### **5<sup>th</sup> Step**

The City of Royal Oak will forgive the loan, after six (6) months, if the assisted small business can demonstrate that it successfully created new jobs or retained existing jobs for at least 51% of its employees living in low- to moderate-income households for a six (6) month period and that the loan was used for payroll, rent, mortgage interest, or utilities.

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Administration and oversight of the city's Community Development Block Grant (CDBG) is handled by staff of the city's Community Development Department. Staff shall process all applications and loans based on guidance and regulations set by the US Department of Housing & Urban Development. Applications shall be processed on a first-come-first-serve basis in light of completeness and timeliness of responses.

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## Business Information

Contact Person:

Contact E-Mail Address:

Contact Direct Phone Number

Business Legal Name:

DBA Name (if applicable):

Address of Tenant Space:

Gross Square Footage of Tenant Space:

Federal Employer Identification Number:

State of Michigan Tax Identification Number:

In 1 or 2 sentences, briefly describe your business (e.g. retail sale of clothing or dine-in restaurant, etc):

In 4 or 5 sentences, briefly compare your current business capacity & revenue to that in January 2020.

Applications for other federally funded COVID-19 business assistance programs:

Name Of Program	Status	Funding Through
SBA PPP (Payroll Protection Program)	<input type="text"/>	<input type="text"/>
SBA Economic Injury Disaster Loan	<input type="text"/>	<input type="text"/>
Oakland County Stabilization Fund	<input type="text"/>	<input type="text"/>
State of Michigan COVID-19 Busin. Programs	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>

Has your business modified its lease agreement in light of economic conditions created by COVID-19?

Yes /  No

Monthly rent  Current /  Late

Monthly rent amount:   
January 2020 payroll:

Monthly utilities:   
April 2020 payroll:

Additional comments (not required):