# City of Paramount

**COVID -19 Emergency Small Business Assistance Relief Grant Program Guidelines**

**October 2020**

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# TABLE OF CONTENTS

**Introduction and Program Overview** ..... **1**

**Program Definitions** ..... **1**

**Program Marketing and Application** ..... **2**

Program Marketing ..... 2
Program Application ..... 3
Application Assistance ..... **Error! Bookmark not defined.**

**Program Description** ..... **4**

Section 1: Microenterprise Assistance ..... 4
Section 2: Small Business Assistance ..... 6

**Business Assistance Award and Grant Agreement** ..... **11**

**Other Program Requirements** ..... **12**

Emergency Small Business Program Appeals ..... 12
Emergency Small Business Program Duplication of Benefits ..... 13
Emergency Small Business Program False Claims ..... 13
Emergency Small Business Program Applicant Confidentiality ..... 13
Emergency Small Business Program Nondiscrimination ..... 13
Emergency Small Business Program Conflict of Interest ..... 14
Emergency Small Business Program Guidelines Changes or Modifications ..... 14

## Exhibits

Exhibit 1 Program Application
Exhibit 2 Grant Agreement
Exhibit 3 Duplication of Benefits (DOB) Policies & Procedures
DOB Certification
Subrogation Agreement

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# Introduction and Program Overview

The City of Paramount (City), as an entitlement Grantee under the Community Development Block Grant (CDBG) Program, receives an annual allocation from the U.S. Department of Housing and Urban Development (HUD) to use in the implementation of eligible programs. In response to the Coronavirus Pandemic (COVID-19) the HUD Community Development Block Grant (CDBG) program has notified the City of Paramount that it will receive a formula allocation from the first round of CDBG-CV funding to be used specifically for the prevention of, preparation for, and response to COVID-19. This allocation was authorized by the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136.

The City will be utilizing a portion of their CDBG entitlement funds to implement a COVID-19 Emergency Small Business Assistance (SBA) Relief Grant program that provides grant assistance to micro- and small-businesses adversely impacted by the COVID-19 pandemic. The CDBG Emergency SBA Relief Grant funds shall be used to provide support to businesses for payroll, rent, personal protective equipment, and other costs required to resume or expand business operations. The program will primarily meet the benefit to low- and moderate-income persons national objective, however, the City may use the urgent need national objective, if necessary.

The Emergency SBA Relief Grant program will consist of two different components: Microbusiness Assistance and Small Business Assistance. In accordance with HUD requirements, Emergency SBA Relief Grant program funding will only be provided in cases where it can be reasonably determined and documented that the applicant business has been adversely impacted by the COVID-19 pandemic. All grant payments will be made as reimbursements for actual costs. The business will be required to submit appropriate documentation to confirm eligibility for the relevant program and receive grant payment. Businesses that meet the Microbusiness Assistance requirements **must** apply for the Microbusiness Assistance program.

# Program Definitions

| | |
|---|---|
| Eligible Costs: | Eligible costs include rent, utilities, payroll, personal protective equipment (PPE) required for business operation, business services to increase capacity to carryout business activities (e.g. point of sale system, website development, etc.), or other costs determined to be eligible and necessary to resume or expand business operations. |
| Family: | The term “families” refers to individuals or households, with or without children. As defined at 24 CFR 5.403, “family” includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: |

1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or 2) A group of persons residing together, and such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); an elderly family; a near-elderly family; a disabled family; a displaced family; and the remaining member of a tenant family.

Full-Time Equivalent: Full-Time Equivalent or FTE is used to measure the number of permanent jobs created or retained as part of the Small Business Assistance Program. An FTE assumes that a full-time job is 40 hours/ week. Thus, a part-time job at 20 hours/ week would be considered 0.5 FTE. Each small business assisted must create or retain at least 1.0 permanent FTE. This can be comprised of a single full-time job or multiple part-time jobs.

Microbusiness: A business with less than 5 total employees (including the owner) where the owner(s) qualify as having a family income is less than 80% of the area median income and meets all eligibility criteria of a microenterprise as detailed in Section 1.

Small Business: A business that does not qualify as a microenterprise and has 20 or fewer total employees (including the owner) and meets all eligibility criteria of a small business as detailed in Section 2.

# Program Marketing and Application

### Program Marketing

Program marketing shall be initiated by the Planning Department with support from the Finance Department and may include any of the following:

- Public Service Announcement/ Advertisement in a media of general circulation
- Flyer/ Advertisement on the City website
- Direct notification to known businesses City of Paramount
- Public service announcements on City cable television
- Posting at locations where businesses seek services or products
- Posting at City Hall
- Posting at other City facilities
- Any other means of advertising as approved by the Planning Department

Marketing and outreach shall facilitate fair access and transparency. The program shall not rely solely on web-based marketing and outreach.

To facilitate meaningful access to program participation for Limited English Proficiency persons, all program marketing intended for the general public shall be provided in English and in Spanish, in accordance with the City of Paramount's current Limited English Proficiency Plan.

## Program Application

First Round

The City shall make application forms available on July 27, 2020 through August 14, 2020 on its website (for self-printing), via mail (if requested by calling the Paramount Assistance Programs phone line at (909) 784-1457), and at the City's Main Lobby counter and at the City's Planning Department counter located at, 16400 Colorado Avenue, Paramount, CA 90723 during regular business hours.

Second Round

The City shall make application forms available on October 1 2020 on its website (for self-printing), via mail (if requested by calling the Paramount Assistance Programs phone line at (909) 784-1457), and at the City's Main Lobby counter and at the City's Planning Department counter located at, 16400 Colorado Avenue, Paramount, CA 90723 during regular business hours.

Complete applications will be accepted at the City's Planning Department at the address above by hand delivery or by mail. All applications must include all required supporting documentation. The City reserves the right to request additional documentation from applicant businesses.

Funding is limited. Therefore, applications will be date stamped and processed in the order received until funds are no longer available. If an application is incomplete, the applicant shall be notified by phone or by email and given 10 calendar days after the date of the first notification by phone or the date of the electronic correspondence to submit the information. Applicants that fail to respond within ten (10) calendar days shall be denied assistance.

Submission of an application does not guarantee a grant award. Applications will be reviewed for completeness and compliance with program requirements.

## Application Assistance

Applicants to this program may access advisory services in connection with this program and other programs that may be available to small business owners in Paramount by contacting the Small Business Development Center hosted by Long Beach City College at (562) 938-5100 or online at https://longbeachsbdc.org/.

# Program Description

## Section 1: Microenterprise Assistance

The Emergency SBA Relief Grant program will provide grants up to $10,000 to microenterprises that were adversely impacted by the COVID-19 pandemic. Microenterprise grants can be used for the following purposes:

- Rent/utilities
- Payroll
- Personal Protective Equipment (PPE) required for business operation
- Business services to increase capacity to carryout business activities (e.g. Point of Sale system, website development, etc.)

Microenterprise businesses do not need to provide ongoing documentation and reporting of jobs created and/ or retained as a result of the CDBG assistance.

## Eligible Microenterprise Businesses

To qualify as an eligible microenterprise business, the business must meet the following criteria:

- Five (5) or fewer total employees (including owner)
- Business owner's family income is less than 80% area median income (see annual income documentation guidance below)
- Business is located within Paramount city boundaries
- Owner is 18 years or older
- Business or owner has a DUNS number, or will have applied for one at the time of application (https://fedgov.dnb.com)
- Business has a valid Federal Employer Identification Number (FEIN), also known as Employer Identification Number (EIN) or Social Security Number (SSN) for sole proprietors
- Business has a bank account
- No person who is subject to the provisions of this program's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business.
- At time of application, business is current with business license

- Business was adversely impacted because of the COVID-19 pandemic and can provide supporting documentation illustrating the impact
- Certification that the business has neither received nor will seek other grants, loans, or other assistance from any private, local, state, or federal funding source for the **same use** as identified in the program application. For example, if a business received the SBA PPP Loan for payroll costs in May and June, CDBG assistance could not be used for payroll costs for the same time period

## Ineligible Microenterprise Businesses

The following business types are not eligible for assistance:

- Businesses located outside of the City of Paramount boundaries
- Nonprofit entities
- Passive businesses (i.e. rental property or other business in which one does not actively participate)
- Government organizations
- Businesses that limit patrons to 18 and older
- Businesses with more than 5 employees (including owner)

## Microenterprise Application Process

Applicants will be required to complete an initial application, including copies of the following documents.

1. City of Paramount Business License
2. State Identification Card or Driver's License
3. IRS Form W-9 (Request for Taxpayer Identification Number and Certification)
4. Owner income documentation (microenterprise applicants only)
5. Most recent federal income tax return for business owner
6. Most recent California Employment Development Department forms DE-6 (Quarterly Wage and Reporting Form) and DE-9 (Quarterly Contribution Return and Report of Wages Form)
7. Documentation that the business was adversely impacted by the COVID-19 pandemic (this may include showing loss in revenue/ profit or other documentation) to the satisfaction of the City

The City reserves the right to request additional information upon receiving the application.

## Annual Income Definition and Documentation

To determine family income for all microenterprises, the City will use the annual income definition as defined by HUD at 24 CFR 5.609 (commonly referred to as Part 5). The City will use the Part 5 method to calculate the annual income by projecting the prevailing rate of

income of the family for the next 12-month period as measured from the date that the City performs the income determination.

Each applicant will need to provide verifiable documentation to support the applicant's stated income. HUD establishes annual incomes. The City of Paramount will update the program guidelines as income limits are updated. The current income limits for this program are:

| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| 80% Median Income | $63,100 | $72,100 | $81,100 | $90,100 | $97,350 | $104,550 | $111,750 | $118,950 |

*Effective July 1, 2020 for the Los Angeles, Long Beach, Glendale, CA MSA*

As defined at 24 CFR 5.403, "family" includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: 1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or 2) A group of persons residing together, and such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); an elderly family; a near-elderly family; a disabled family; a displaced family; and the remaining member of a tenant family.

Therefore, family member information must include, at a minimum, the following:

1. Full names and ages of all family members living in the residence; and
2. Signature of all adult family members age 18 or over, certifying that the information provided related to the annual family income and family composition is correct.

## Section 2: Small Business Assistance

The Emergency SBA Relief Grant program will provide grants up to $10,000 to small businesses that were adversely impacted by the COVID-19 pandemic.

Small Business Assistance grants can be used for the following purposes:

- Rent/utilities
- Payroll
- Personal Protective Equipment (PPE) required for business operation
- Business services to increase capacity to carryout business activities (e.g. Point of Sale system, website development, etc.)

Businesses receiving a Small Business Assistance grant shall use grant funds to create or retain jobs (especially those held by low- or moderate-income individuals) and shall provide reporting for up to two years following grant award on the creation or retention of jobs. **Businesses that do not create or retain at least one permanent low- or moderate-income job(s) will be required to repay the grant in accordance with the grant agreement.**

The job creation and retention requirement is described in more detail in the Job Creation/ Retention section.

## Eligible Small Businesses

To qualify as an eligible small business, the business must meet the following criteria:

- Business does not qualify as a microenterprise (see prior section)
- Twenty (20) or fewer employees (including owner)
- Commitment to create or retain at least one full time equivalent (FTE) permanent job as a result of the Emergency SBA Relief Grant program; 51% of all jobs created or retained must be held or made available to low- or moderate-income individuals
- Business is located within Paramount city boundaries
- Owner is 18 years or older
- Business or owner has a DUNS number, or will have applied for one at the time of application (https://fedgov.dnb.com)
- Business has a valid Federal Employer Identification Number (FEIN), also known as Employer Identification Number (EIN)
- Business has a bank account
- No person who is subject to the provisions of this program's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business.
- At time of application, business is current with a City of Paramount business license
- Business was adversely impacted because of the COVID-19 pandemic and can provide supporting documentation illustrating the impact
- Certification that the business has neither received nor will seek other grants, loans, or other assistance from any private, local, state, or federal funding source for the **same use** as identified in the program application. For example, if a business received the SBA PPP Loan for payroll costs in May and June, CDBG assistance could not be used for payroll costs for the same time period

## Ineligible Small Businesses

The following business types are not eligible for assistance:

- Businesses that qualify as a microenterprise
- Businesses located outside of the City of Paramount boundaries

- Nonprofit entities
- Passive businesses (i.e. rental property or other business in which one does not actively participate)
- Government organizations
- Businesses that limit patrons to 18 and older
- Businesses with more than 20 employees

## Small Business Application Process

Applicants will be required to complete an initial application, including copies of the following documents.

1. City of Paramount Business License
2. State Identification Card or Driver's License
3. IRS Form W-9 (Request for Taxpayer Identification Number and Certification)
4. Most recent California Employment Development Department forms DE-6 (Quarterly Wage and Reporting Form) and DE-9 (Quarterly Contribution Return and Report of Wages Form)
5. Documentation that the business was adversely impacted by the COVID-19 pandemic (this may include showing loss in revenue/ profit or other documentation) to the satisfaction of the City

The City reserves the right to request additional information upon receiving the application.

## Small Business Job Retention and Job Creation

The goal of the **Small Business Assistance** component is to assist business owners in operations during the global pandemic, as well as to create economic opportunities by creating and retaining permanent jobs held by low- or moderate-income individuals within the City. Job creation or retention is defined as total full-time equivalent positions created or retained at 40 hours per week, or any combination of part-time positions combining for 40 hours per week, including owners.

As part of the **Small Business Assistance** program, all businesses must commit to creating or retaining jobs, 51% of which must be held or made available to low- or moderate-income individuals. As part of the application, businesses must estimate the number of jobs that will be created or retained as a result of the **Small Business Assistance** component. Grant agreements will include estimates of the number of jobs expected to be created or retained for each business, including those jobs that will be held by or made available to low- and moderate-income individuals. During the grant agreement period, businesses will be required to report on all jobs created or retained as a result of the CDBG funds.

In order to meet this requirement, businesses must be able to demonstrate that the created or retained job is held by a low- or moderate-income (LMI) individual **OR** the position is

expected to turn over within the next two years and the business will take steps to ensure that the position is filled by or made available to a low- or moderate-income individual.

The City will use HUD's income limits to determine if jobs created or retained will be held or made available to low- or moderate-income individuals. The City will update the income limits annually to reflect the most current limits, as provided by HUD.

| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| 80% Median Income | $63,100 | $72,100 | $81,100 | $90,100 | $97,350 | $104,550 | $111,750 | $118,950 |

*Effective July 1, 2020 for the Los Angeles, Long Beach, Glendale, CA MSA*

## Job Retention

The business must be able to provide specific evidence that the job(s) would be lost without the assistance.

If the retained job is held by a low- or moderate-income individual, the following information must be documented:

- A listing by job title of permanent jobs retained
- The jobs that are known to be held by LMI persons at the time of assistance
- The full-time equivalency status of each job
- Family size and annual income of each LMI person (additional documentation guidance is provided below)

For retained jobs that are projected to turn over to low- or moderate-income individuals:

- A listing of the retained jobs that are projected to become available within two years of assistance
- The basis of the determination that the job is likely to turnover within two years of assistance
- The actual turnover date
- The name and income status of the person who filled the vacancy
- If the person who took the job was not a low- or moderate-income person, records to demonstrate that the job was made available to low- or moderate-income persons
    - The name of person interviewed for the job and the date of the interview
    - The income status of the person(s) interviewed
    - Information on the family size and annual income of each LMI person hired

Retained jobs that are expected to turn over and be made available to low- or moderate-income individuals can only be considered to be made available when:

- Special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite for the job (or the business agrees to hire unqualified persons and provide training at the onset of the job search), and
- The business takes actions to ensure that low- or moderate-income individuals receive first consideration for filling such jobs

### Job Creation

If the created job is held by a low- or moderate-income individual, the following information must be documented:

- Listing by job title of the jobs created
- Listing by job title of the jobs filled
- The name and income status of the person who filled each position
- The full-time equivalency status of the jobs

For created jobs that will be made available to low- or moderate-income individuals but are not taken by low- or moderate-income individuals:

- The title and description of the jobs made available
- The full-time equivalency status of the job
- The prerequisites for the job; special skills or education required for the job, if any; and the business commitment to provide needed training for such jobs
- A business can demonstrate that first consideration was given to low- or moderate income persons for the job by keeping a record of the name(s) of person(s) interviewed for the job, the date of the interview(s), and the income status of the person(s) interviewed

Created jobs can only be considered to be made available to low- or moderate-income individuals when:

- Special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite for the job (or the business agrees to hire unqualified persons and provide training at the onset of the job search), and
- The business takes actions to ensure that low- or moderate-income individuals receive first consideration for filling such jobs

### Job Creation/ Retention Documentation

Documentation for jobs created or retained will be provided by businesses on a quarterly basis and include State of California payroll reports and payroll documentation showing jobs created/ retained and full-time equivalent (FTE) for each job created/ retained.

Documentation for low- or moderate-income individual job creation or retention may come from the following sources:

- A written self-certification by the employee or applicant of his/her family size and total income that is signed and dated and subject to Federal review. Certification can either include actual size and income of family or can contain a statement that the annual family income is below the low-income limit for the applicable family size.
- Referrals from an agency that has agreed to refer individuals who are determined to be low- or moderate-income based on HUD's income limits. These agencies must maintain records, which must be available for State or Federal inspection, showing the basis of the determination that the person was low- or moderate-income. The City will work with business owners to identify and collaborate with such organizations.
- Qualification of employee or application for assistance under another program with income qualification that are as restrictive as those used by the CDBG program. Examples include referrals from public housing, welfare agency, or other such programs. The City will provide a more extensive list of such programs to selected businesses.
- Evidence that the individual is homeless.
- Evidence that the individual may be presumed to be a low- or moderate-income individual by way of residence address and the corresponding poverty rates of the applicable census tract. The City will provide further guidance to selected businesses on using this methodology and complying with other Federal laws and requirements.

### Small Business Reporting and Recordkeeping

Businesses assisted through the **Small Business Assistance** component must provide ongoing reporting documenting program compliance and job creation/ retention as follows:

- Job creation/ retention form and supporting documentation (including income and demographic data) for the period specified in the grant agreement (up to two years)
- Program expense documentation
- EDD DE-9 (Quarterly Contribution Return and Report of Wages Form) and DE 34 (Report of New Employee(s) Form) Forms, and the quarterly summary report must be submitted to the City quarterly during the term of the grant agreement

The grant recipient will be required to provide the City with verification for all new hires resulting from the investment of CDBG funds, during the term identified in the grant agreement.

The City reserves the right to audit the applicant's records for compliance with terms in the agreement and monitor the business to ensure program compliance.

## Business Assistance Award and Grant Agreement

The Planning Department shall meet regularly to ensure prompt decisions on each completed program application. Following review of the application, staff shall prepare a memorandum summarizing the Program Application, applicant qualifications and making a recommendation for approval or denial. The signed memorandum shall be maintained in each Business file.

The City of Paramount shall:

- Review and either approve or deny applications for assistance
- Provide direction to terminate previously approved assistance for program participants who violates program requirements
- Provide recommendations for policy improvements or clarifications
- Appoint a member whose responsibility it is to maintain a binder of all necessary documents for each business applicant

If the City denies an application, Planning staff shall prepare and send a letter to the applicant indicating the reason(s) for denial and shall include notification of the applicant's right to appeal the decision in accordance with the Appeals section of these Guidelines.

Upon approval of a Program Application, eligible businesses selected for the Emergency SBA Relief Grant program will execute a grant agreement with the City.

Grant awards will be made on a reimbursement basis. Unless otherwise agreed upon between the business and City, businesses will be expected to submit all reimbursement documentation within three (3) months of the date the grant agreement is executed. Recipients are not required to submit all reimbursement requests at a single time and can submit up to five (5) requests during the three-month period.

Reimbursement requests must be submitted in the manner prescribed in the grant agreement and include supporting receipts and other documentation.

The program will reimburse eligible costs incurred from May 19, 2020.

# Other Program Requirements

### Emergency Small Business Program Appeals

Applicants may appeal application denials. Appeals shall be submitted to the Planning Department in person at 16400 Colorado Avenue, Paramount CA 90723 during regular operating hours of Monday through Thursday; 8:00 a.m. to 5:30 p.m. and Friday from 8:00 a.m. to 5:00 p.m., or by mail to City of Paramount, Attn: Planning Director, 16400 Colorado Avenue, Paramount, CA 90723 within seven (7) calendar days of the date of the application denial letter. The written appeal shall state the reason(s) why the applicant believes the application denial was in error and provide any additional documentation necessary to support the applicant's assertion of same. The Planning Director or designee will review the

appeal and issue a determination within fourteen (14) calendar days of receipt of the letter. If further review is required, the Planning Director or designee shall review the appeal and issue a final determination within fourteen (14) calendar days of the date of written determination by the Planning Director or their designee.

### Emergency Small Business Program Duplication of Benefits

All participating businesses must comply with the U.S. Department of Housing and Urban Development's forthcoming guidance regarding Duplication of Benefits, as required by the CARES Act and HUD guidance. The City will modify these guidelines once final HUD guidance has been released. At a minimum, businesses are not able to have received other federal or non-federal benefits or assistance for the same uses of this grant program and must certify that they will not pursue other federal or non-federal benefits for the same uses of this grant program in the future.

### Emergency Small Business Program False Claims

Applicants shall certify on the Program Application under penalty of perjury that "The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government."

### Emergency Small Business Program Applicant Confidentiality

Employees and agents of the City will not disclose any applicant's personal confidential information as part of the program. All confidential information of applicants will be kept in a locked secured storage facility or password protected electronic files and unavailable to persons outside of the program. At all times, the City will abide by all requirements stated within the Privacy Act of 1974 as amended. If the City receives a request for public records related to the program, only non-confidential information, as verified by the City, will be provided.

### Emergency Small Business Program Nondiscrimination

The Emergency SBA Relief Grant Program shall be implemented consistent with the City's commitment to State and Federal equal opportunity laws. No person 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 their disability, family status, national origin, race, color, religion, sex, marital status, medical condition, ancestry, source of income, age, sexual orientation, gender identity, gender expression, genetic information, or other arbitrary discrimination.

The City will provide reasonable accommodations and/or modifications, or provide language assistance to individuals requesting such assistance to benefit from the services provided by the Emergency SBA Relief Grant Program.

## Emergency Small Business Program Conflict of Interest

In accordance with 24 CFR 570.611, no member of the governing body and no official, employee or agent of the local government, nor any other person, either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision making responsibilities will financially benefit from this program.

## Emergency Small Business Program Guidelines Changes or Modifications

Minor changes to these Implementation Guidelines involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be performed with the approval of the Planning Department. Federal regulatory requirements for the CDBG program are not subject to modification or revision.

## EXHIBIT 1: PROGRAM APPLICATION

(Attached)

# City of Paramount

**COVID-19 Emergency Small Business Assistance Relief Grant Program Application**

**October 2020**

# COVID-19 Emergency SBA Relief Grant Application

## Application Process

First Round

The City shall make application forms available on July 27, 2020 through August 14, 2020 on its website for self-printing, via mail, if requested by calling the Paramount Emergency Assistance phone line at (909) 784-1457, and at the City's Main Lobby counter and at the City's Planning Department counter located at, 16400 Colorado Avenue, Paramount, CA 90723 during regular business hours.

Second Round

The City shall make application forms available on October 1, 2020 on its website for self-printing, via mail, if requested by calling the Paramount Emergency Assistance phone line at (909) 784-1457, and at the City's Main Lobby counter and at the City's Planning Department counter located at, 16400 Colorado Avenue, Paramount, CA 90723 during regular business hours.

Complete applications will be accepted at the City's Planning Department at the address above by hand delivery or by mail until funds are no longer available.

## Eligibility Checklist

The checklist below assists businesses to determine eligibility via the microbusiness or small business assistance programs. For more guidance, please view the program guidelines
**www.paramountcity.com/community/cdbg**

PART A

| | |
|---|---|
| Is your business located within Paramount City boundaries? | Yes ___ No ___ |
| Does your business have 20 or fewer employees (including the owner(s))? | Yes ___ No ___ |
| Are you able to document that your business was adversely impacted by COVID-19? | Yes ___ No ___ |
| Does your business have a current City of Paramount business license? | Yes ___ No ___ |
| Does your business meet the eligibility requirements outlined in the program guidelines?<br>• Owner is 18 years or older<br>• Business or owner has a DUNS number, or has applied for one?<br>• Business has a valid federal employer identification number or social security number<br>• Business has a bank account<br>• Business is not subject to City Conflict of Interest Code | Yes ___ No ___ |
| Your business is **NOT** one of the following:<br>• Nonprofit entity (e.g. 501 (c)(3), 501 (c)(6), etc.)<br>• Passive business (i.e. rental property or other business in which one does not actively participate)<br>• Government organization<br>• Business that limit patrons to 18 and older | Yes ___ No ___ |

*If you answered yes to all questions above, you may be eligible for the Emergency SBA Relief Grant Program. Proceed below:*

# COVID-19 Emergency SBA Relief Grant Application

*PART B*

| | |
|---|---|
| Does your business have 5 or fewer employees (including owner(s))? | Yes ___ No ___ |
| Does the business owner have a family income at or below 80% of area median income (see page 7)? | Yes ___ No ___ |

*If you answered yes to these questions, you may be eligible for the Microenterprise Assistance Program and should apply for that program. If you answered no to either question, proceed below:*

*PART C*

| | |
|---|---|
| Will you be able to create or retain at least one job that will be held by or made available to a low- or moderate-income individual? (see program guidelines for specific requirements) | Yes ___ No ___ |

*If you answered yes to this question, you may be eligible for the Small Business Assistance Program and should apply for that program. If you answered no to any question in Part A, Part B or Part C, you may not be eligible for the Emergency SBA Relief Grant Program.*

If you have any questions, please contact Christian Rodriguez at (909) 784-1457.

# COVID-19 Emergency SBA Relief Grant Application

## Summary Application

| | |
|---|---|
| Name of Business Owner: | |
| Legal Name of Business: | |
| DBA (if applicable): | |
| Business Address: | |
| Business Owner Email: | |
| Business Owner Phone: | |
| Federal EIN (or social security number): | |
| DUNS Number: | |
| *(if you have applied, but have not yet received your DUNS number, attach documentation of DUNS application)* | |
| Number of Total Employees: | (prior to March 2020):<br>(Current): |

1. Does the business have a current business license? Yes ____ No _____

2. Is the business currently the subject of a collection action, involved in a lawsuit, or have a judgement against it? Yes _____ No_____ If yes, please attach a document providing an explanation.

3. Has the business filed for bankruptcy in the past 7 years? Yes _____ No _____ If yes, please attach a document providing an explanation.

4. Is the business owner subject to the City's conflict of interest code? Yes _____ No _____ If yes, please attach a document providing an explanation.

5. Does the business require other external assistance (e.g. grants or loans) to open/ remain open at this time? Yes _____ No _____
   If yes, please explain and summarize the status of the other forms of assistance. _____

_____

_____

6. Please describe how this assistance will enable the business to continue operation/ re-open/ expand service delivery? _____

_____

_____

# COVID-19 Emergency SBA Relief Grant Application

## COVID-19 Impact

In order to be eligible for the Business Assistance programs, businesses must have been adversely impacted because of the COVID-19 pandemic. Select all impact types that are relevant to your business below. Attach supporting documentation as necessary:

*Type of Negative Impact*

☐ Loss of revenue

☐ Increased operating costs for Personal Protective Equipment (PPE)

☐ Increased operating costs to manage new or enhanced curbside or delivery services

☐ Other _____

*Sample Documentation*

- **Loss of revenue:** Provide documentation showing average revenue for two-month consecutive period between November 2019 and February 2020 compared to revenue for two-month consecutive period after February 2020.
- **Increased operating costs for PPE:** Documentation showing costs for PPE as required by State guidelines.
- **Increased operating costs to manage new or enhanced curbside or delivery services:** Documentation showing that software or services required for curbside or delivery began after February 2020 and costs for those services.

# COVID-19 Emergency SBA Relief Grant Application

## Duplication of Benefits

In order to be eligible for the Emergency SBA Relief Grant program, businesses must document that they have neither received nor will seek other grants, loans, or other assistance from any private, local, state, or federal funding source for the **same uses** as identified in the application. For example, if a business received the SBA PPP Loan for payroll costs in May and June, CDBG assistance could not be used for payroll costs for the same time period.

Applicants must complete and attach the duplication of benefits self-certification.

1. **Have you applied for any other governmental assistance because of the COVID 19 emergency? _____**

*If yes, please complete the table below and attach additional pages if necessary.*

| Source | Grant (Y/N) | Loan (Y/N) | Term | Rate | Amount | Use of Funds |
|---|---|---|---|---|---|---|
| **Paycheck Protection Program (PPP)** | | | | | | |
| **SBA Economic Injury Disaster Loan** | | | | | | |
| **Express Bridge Loan** | | | | | | |
| **Debt Relief Program** | | | | | | |
| **Main Street Lending Program** | | | | | | |
| **Other _____** | | | | | | |
| **Other _____** | | | | | | |
| **Other _____** | | | | | | |

2. **Would the Emergency SBA Relief Grant be replacing any other federal/ non-federal source? _____ If yes, attach explanation.**

3. **If the business is receiving other external grants or loans, please attach the disbursement schedule for all sources.**

# COVID-19 Emergency SBA Relief Grant Application

## Microenterprise Assistance Application

Only complete this section if you qualify as a microenterprise. For the purposes of the business assistance program, a microenterprise is:

> *A business with less than 5 total employees (including the owner) where the owner(s) qualify as having a family income is less than 80% of the area median income*

1. **Total Number of Employees (including owner(s)):** _____

2. **Owner current income (attach income certification form and documentation on subsequent page):** $_____

3. **Grant Amount Requested (not to exceed $10,000)**

*Please use the chart to describe how you intend to utilize the funds from this grant to support your business.*

| Eligible Use | Amount | Description |
|---|---|---|
| **Rent/Utilities** | | |
| **Payroll** | | |
| **PPE required for business operation** | | |
| **Business services to increase capacity to carryout business activities** | | |
| **TOTAL** | | |

# COVID-19 Emergency SBA Relief Grant Application

## Microenterprise Assistance Income Certification

For a business owner to qualify for Microenterprise Assistance Program, the applicants' current annual income shall not exceed the low- and moderate-income limit, adjusted by family size.

**Current Annual Family Income: $____**

**Circle your family size:**

| # of People in Family | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Max. Family Income | $63,100 | $72,100 | $81,100 | $90,100 | $97,350 | $104,550 | $111,750 | $118,950 |

*Effective July 1, 2020 for the Los Angeles, Long Beach, Glendale, CA MSA (80% Area Median Income)*

I/We certify that the family size and annual family income listed above are accurate. I/We have completed the Income Documentation worksheet and provided copies of all required supporting documentation.

| Applicant Signature: | Date: | Co-Applicant Signature: | Date: |
|---|---|---|---|
| | | | |

| Other Family Member Over Age 18 Signature:<br><br>Name (Please Print): | Date: | Other Family Member Over Age 18 Signature:<br><br>Name (Please Print): | Date: |
|---|---|---|---|

| Other Family Member Over Age 18 Signature:<br><br>Name (Please Print): | Date: | Other Family Member Over Age 18 Signature:<br><br>Name (Please Print): | Date: |
|---|---|---|---|

**WARNING:** The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government.

# COVID-19 Emergency SBA Relief Grant Application

**INCOME DOCUMENTATION FORM**

**INSTRUCTIONS:** This is a written statement from the beneficiary documenting the definition used to determine "Annual (Gross) Income", the number of beneficiary members in the family or household (as applicable based on the activity), and the relevant characteristics of each member for the purposes of income determination.

1. List all family members in Table 1 below
2. Complete Table 2 on the following page to summarize gross monthly income for all family members over the age of 18
3. Provide copies of all necessary supporting documentation listed in Table 3 for the income types listed in Table 2
4. All adult beneficiary members must sign certification the form

The City requires supporting source documentation to be submitted as an attachment to this certification. A summary of documentation recommendations is provided in Table 3.

**DEFINITION OF INCOME:** For this program, the City is using the Part 5 definition of income. Income excluded from this definition is summarized in Table 4 (located on page 13).

**Beneficiary Information**

**Business Name:** _____

**Business Owner Family Information**

| First Name | Last Name | HH | CH | DIS | 62+ | S≥18 | <18 |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
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**HH** = Head of Household; **CH** = Co-Head of Household; **DIS** = Person with disabilities; **62+** = Person 62 years of age or older; **S≥18** = Fulltime student age 18 or over; **<18** = Child under the age of 18 years

# COVID-19 Emergency SBA Relief Grant Application

| Table 2: Current MONTHLY Income | | | | |
|---|---|---|---|---|
| **INCOME SOURCE** | **APPLICANT** | **HEAD/ CO-HEAD OF HOUSEHOLD** | **OTHER FAMILY MEMBERS 18 OR OLDER** | **TOTAL** |
| Wages, overtime pay, salary, commissions, bonuses, or tips from all jobs. Report the amount before deductions for taxes, bonds, dues, or other items. | $ | $ | $ | $ |
| Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions. Report all income and withdrawal (except when reimbursement of cash or assets invested in the operation by the family). A deduction for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation as provided in Internal Revenue Service regulations. | $ | $ | $ | $ |
| Interest, dividends, net rental income, royalty income, or income from estates and trusts. Report even small amounts credited to an account. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family.<br><br>If the family has net family assets in excess of $5,000, income shall be equal to the greater of the actual income derived from all net family assets or the current passbook savings rate (as determined by HUD) of 0.06% multiplied by the value of such assets. | $ | $ | $ | $ |
| Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability benefits, death benefits or other types of similar periodic receipts. Report the total amount received. | $ | $ | $ | $ |

# COVID-19 Emergency SBA Relief Grant Application

| Table 2: Current MONTHLY Income | | | | |
|---|---|---|---|---|
| **INCOME SOURCE** | **APPLICANT** | **HEAD/ CO-HEAD OF HOUSEHOLD** | **OTHER FAMILY MEMBERS 18 OR OLDER** | **TOTAL** |
| Payments in lieu of earnings such as unemployment, disability, worker's, and severance compensation. Report the total amount received. | $ | $ | $ | $ |
| Any public assistance or welfare payments from state or local welfare office. Report total amount received. | $ | $ | $ | $ |
| Periodic and determinable allowances such as alimony, child support payments, regular contributions, or gifts received from organizations or persons not residing in the dwelling. Report total amount received. | $ | $ | $ | $ |
| All regular pay, special pay, and allowance of a member of the Armed Forces except special pay for a family member who is exposed to hostile fire. Report total amount received. | $ | $ | $ | $ |

| | | |
|---|---|---|
| **Total Present GROSS Monthly Family Income** | **A** | **$** |
| **Multiply by 12 months in a year** | **B** | **X 12** |
| **A times B is equal to TOTAL ANNUAL INCOME** | **C** | **$** |

# COVID-19 Emergency SBA Relief Grant Application

**INCOME DOCUMENTATION**

*Please provide the requested items below, if applicable to your family for all family members over the age of 18. All documents submitted must be copies and will not be returned.* ***Do not send originals.***

*Table 3: Income Documentation Requirements*

| If you or a family member have income from the following sources: | You are required to submit the following documents: | Covering the following period(s) of time: |
|---|---|---|
| Wages, salary, commissions, bonuses, or tips from all jobs. Report the amount before deductions for taxes, bonds, dues, or other items | Copies of last 3 paycheck stubs / earnings statements | June and July 2020 |
| Net income from the operation of a business or profession | Complete (all pages) for the most recent filed Federal Income Tax Return; or<br>Profit and Loss Statement showing the net amount after business expenses. | Most recent tax year filed |
| Interest, dividends, net rental income, royalty income, or income from estates and trusts | Bank Statements | Most recent three (3) months |
| Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability benefits, death benefits or other types of similar periodic receipts. | Social Security Letter (if applicable); or<br>Bank Statements | Current year's award letter or Most recent three (3) months |
| Payments in lieu of earnings such as unemployment, disability, worker's, and severance compensation. | Current year's award letter or Bank Statements | Most recent three (3) months |
| Any public assistance or welfare payments from state or local welfare office | Award letter; or<br>Statement from source of assistance | Current year's award letter or statement of current benefits from the source of assistance |
| Periodic and determinable allowances such as alimony, child support payments, regular contributions, or gifts received from organizations or persons not residing in the dwelling. | Check Stubs; or Bank Statements | Most recent three (3) months |

| If you or a family member have income from the following sources: | You are required to submit the following documents: | Covering the following period(s) of time: |
|---|---|---|
| All regular pay, special pay, and allowance of a member of the Armed Forces except special pay for a family member who is exposed to hostile fire. | Check Stubs; or Bank Statements | Most recent three (3) months |

| Table 4: Excluded Income Sources |
|---|
| Income from employment of children (including foster children) under the age of 18 years. |
| Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone). |
| Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in number 5 of Income Inclusions). |
| Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. |
| Income of a live-in aide (as defined in 24 CFR 5.403). |
| The full amount of student financial assistance paid directly to the student or to the educational institution (Subject to 24 CFR 5.609(b) [refer to Income Inclusions Tab - No. 9]). |
| The special pay to a family member serving in the Armed Forces who is exposed to hostile fire. |
| Amounts received under training programs funded by HUD. |
| Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). |
| Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. |
| Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. |
| Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program. |
| Temporary, nonrecurring, or sporadic income (including gifts). |
| Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. |
| Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse). |
| Adoption assistance payments in excess of $480 per adopted child. |

| |
|---|
| Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts. |
| Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit. |
| Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home. |
| Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. The following is a list of income sources that qualify for that exclusion: |
| The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]) |
| Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (e.g., employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions) |
| Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c]) |
| Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e) |
| Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624[f]) |
| Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94–540,section 6) |
| The first $2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission |
| Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1407-1408), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-11, section 327) (as amended) |
| Payments received from programs funded under Title V of the Older Americans Act of 1985 (42U.S.C. 3056g))( e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program) |
| Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange Liability Litigation, M.D.L. No. 381 (E.D.N.Y.) |
| Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728) |
| The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) |
| Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs |

| |
|---|
| administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32[l]) |
| Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433) |
| Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]) |
| Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1821), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821) |
| Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602) |
| Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2)) |
| Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1780(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC) |
| Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990(25 U.S.C. 1774f(b)) |
| Deferred amounts from Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts(42 U.S.C.§ 1437a(b)(4)) |
| Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.) and administered by the Office of Native American Programs |
| A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., 816 F.Supp.2d 10 (Oct 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291) |
| Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4)) |
| Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a)) |
| Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)). |

# COVID-19 Emergency SBA Relief Grant Application

## Small Business Assistance Application

Only complete this section if you do not qualify as a microenterprise but meet the requirements of the small business assistance program. Businesses that do not create or retain low- or moderate-income jobs will be required to repay the grant in accordance with the grant agreement.

| | |
|---|---|
| Total Number of Employees (including owner(s)): | |
| Number of full-time equivalent (FTE)* jobs expected to be created as a result of this grant: | |
| Number of FTE jobs expected to be retained as a result of this grant: | |
| Percentage of FTE jobs created or retained expected to be filled by or made available to low- or moderate-income individuals: | |

*FTE assumes that full-time job is 40 hours/ week. Thus, if a permanent job is only for 20 hours/ week, it would be considered 0.5 FTE. Each small business assisted must create or retain at least 1.0 permanent FTE. This can be comprised of a single full-time job or multiple part-time jobs.

**Job Retention Only**

Businesses preliminarily selected for grant assistance will be required to submit the Job Retention form prior to execution of the grant agreement. This form is attached for your reference.

**Grant Amount Requested (not to exceed $10,000)**

*Please use the chart to describe how you intend to utilize the funds from this grant to support your business.*

| Eligible Use | Amount | Description |
|---|---|---|
| **Rent/Utilities** | | |
| **Payroll** | | |
| **PPE required for business operation** | | |
| **Business services to increase capacity to carryout business activities** | | |
| **TOTAL** | | |

# COVID-19 Emergency SBA Relief Grant Application

## Information for Government Reporting

The following information will be kept confidential and used only to provide aggregate data for program analysis. Completion of this form WILL NOT be used to evaluate your application for participation in the Emergency SBA Relief Grant program.

| BUSINESS OWNER 1 | BUSINESS OWNER 2 (if applicable) |
|---|---|
| PLEASE MARK **ONE:** | PLEASE MARK **ONE:** |
| ❑ WHITE | ❑ WHITE |
| ❑ BLACK / AFRICAN AMERICAN | ❑ BLACK / AFRICAN AMERICAN |
| ❑ ASIAN | ❑ ASIAN |
| ❑ AMERICAN INDIAN / ALASKAN NATIVE | ❑ AMERICAN INDIAN / ALASKAN NATIVE |
| ❑ NATIVE HAWAIIAN / OTHER PAC ISLANDER | ❑ NATIVE HAWAIIAN / OTHER PAC ISLANDER |
| ❑ AMERICAN INDIAN / ALASKAN NATIVE & WHITE | ❑ AMERICAN INDIAN / ALASKAN NATIVE & WHITE |
| ❑ ASIAN & WHITE | ❑ ASIAN & WHITE |
| ❑ BLACK / AFRICAN AMERICAN & WHITE | ❑ BLACK / AFRICAN AMERICAN & WHITE |
| ❑ AMERICAN INDIAN / ALASKAN NATIVE & BLACK / AFRICAN AMERICAN | ❑ AMERICAN INDIAN / ALASKAN NATIVE & BLACK / AFRICAN AMERICAN |
| ❑ OTHER | ❑ OTHER |
| HEAD OF HOUSEHOLD: ❑ YES ❑ NO<br>HISPANIC ❑ YES ❑ NO | HEAD OF HOUSEHOLD: ❑ YES ❑ NO<br>HISPANIC ❑ YES ❑ NO |
| ❑ MALE ❑ FEMALE | ❑ MALE ❑ FEMALE |
| PERSON WITH A DISABILITY ❑ YES ❑ NO | PERSON WITH A DISABILITY ❑ YES ❑ NO |

# COVID-19 Emergency SBA Relief Grant Application

## Duplication of Benefits Self Certification

I/We, as the owners of _____ business located in the City of Paramount, certify that we comply with the Duplication of Benefits Policy as set forth in the Emergency SBA Relief Grant Program Guidelines.

I/We certify under penalty of perjury, under the laws of the State of California, that I/We are not able to receive, and have not received, other federal or non-federal benefits or assistance for the same purposes as outlined in the program application. Applicant further certifies that I/We will not pursue other federal or non-federal benefits for the same uses of the Business Assistance Program as outlined in the program application.

If I/We receive benefits or assistance for the same purpose as stated in the program application, we will report this duplication of assistance to the City within seven (7) business days and immediately return any duplicative grant assistance to the City as required by the Planning Department.

| **BUSINESS OWNER(S)** | | |
|---|---|---|
| **Signature** | **Printed Name** | **Date** |
| **Signature** | **Printed Name** | **Date** |

**WARNING:** The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government.

# COVID-19 Emergency SBA Relief Grant Application

## Signature Page

*(complete one signature page for each business owner)*

*The applicant warrants and represents that no City Council Member, City Staff Member, Commission Member, Committee Member, and/or any person who is subject to the provisions of the City's Conflict of Interest Code, has any ownership interest of any kind or amount in the business for which the grant would be issued, or would otherwise receive a financial benefit from any grant which may be extended to applicant and/or for the business. By accepting this grant, I agree to comply with the current and future guidelines and other requirements as set forth by the City of Paramount.*

**Name (Print)** _____ **Date** _____

**Signature** _____

*I attest that I have read and understood the application and completed the application in full, including the required attachments listed below. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.*

*Required Attachments (all applicants)*

1. City of Paramount Business License
2. State Identification Card or Driver's License
3. IRS Form W-9 (Request for Taxpayer Identification Number and Certification)
4. Most recent California Employment Development Department form DE-9 (Quarterly Contribution Return and Report of Wages Form)
5. Documentation of COVID-19 Impact
6. Other documentation/ explanations, as required

*Required Attachments (microenterprise businesses only)*

1. Owner income supporting documentation
2. Most recent federal tax return (Form 1040 or Form 1040 EZ)

**Signature** _____

**WARNING:** The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government.

# Job Retention Form

| |
|---|
| If, as part of this application, you will retain at least one job, you must complete this form and attach the supporting documentation. If retaining multiple jobs, complete one form per job. |

## EMPLOYER SECTION

**Business Overview:**

| | |
|---|---|
| Business Name: | |
| Owner Name: | |
| Street Address: | |
| City, State, ZIP: | |
| Telephone #: | |
| Email Address: | |

**Position Overview:**

| | |
|---|---|
| Retained Job Title: | |
| Retained Job Description: | |
| Position Hours/ Week: | |

Attach the following information:

- Specific evidence that, but for the CDBG assistance, the job would be lost
- Indicate if job is currently held by a low- or moderate-income person (page 2 of this form)
- If job is not currently held by a low- or moderate-income person, but it is expected to turnover within two years and be made available to a low- or moderate-income person, describe the basis of determination for why the job will turnover in two years

I certify that this information is complete and accurate and will provide supporting documentation if required by the City and/ or the U.S. Department of Housing and Urban Development.

| Business Owner Signature | Print Business Owner Name | Date |
|---|---|---|

Job Retention Form

## EMPLOYEE SECTION

*This is a confidential form to be used for reporting job retention for monitoring purposes only for the City. This form should be returned to the City to determine eligibility.*

| | |
|---|---|
| Employee Name: | |
| Position Title: | |
| Street Address: | |
| City, State, ZIP: | |
| Telephone #: | |

**Household Information:**

| *Race (check one of the following 10 categories):* | | | | |
|---|---|---|---|---|
| American Indian or Alaska Native | | | American Indian or Alaskan Native **AND** White | |
| Asian | | | Asian **AND** White | |
| Black or African American | | | Black/African American **AND** White | |
| Native Hawaiian or Other Pacific Islander | | | American Indian/Alaskan Native **AND** Black/African-American | |
| White | | | Other | |

| *Ethnicity (check one):* | |
|---|---|
| Hispanic / Latino | |
| Not Hispanic / Latino | |

| | | |
|---|---|---|
| *Head of Household (check one):* | Female __ | Male ___ |
| *Disability?* | Yes __ | No __ |

**Income Status:**

*Please list your family size and indicate your corresponding family annual income level.* *See worksheet on subsequent pages for assistance in calculating family income.*

Family Size: _____

Income Level (circle family income range):

| | |
|---|---|
| $0 - $63,100 | $63,101 - $72,100 |
| $72,101 - $81,100 | $81,101 - $90,100 |
| $90,101 - $97,350 | $97,351 - $104,550 |
| $104,551 - $111,750 | 111,751 - $118,950 |
| Greater than $118,951 | |

*Effective July 1, 2020 for the Los Angeles, Long Beach, Glendale, CA MSA*

I certify that this information is complete and accurate and will provide supporting documentation if required by the City and/ or the U.S. Department of Housing and Urban Development.

| _____ | _____ | _____ |
|---|---|---|
| Employee Signature | Print Employee Name | Date |

## Annual Income Calculation Worksheet

***THIS WORKSHEET IS TO ASSIST IN CALCULATING FAMILY INCOME AND SHOULD NOT BE RETURNED TO THE EMPLOYER OR CITY.***

**INSTRUCTIONS:** This is a worksheet to determine your annual income as part of the CDBG grant job program. This program uses the income defined by the U.S. Department of Housing and Urban Development at 24 CFR § 5.609.

Complete the table below for all family members living in the household 18 years or older. Some income is **not** considered an income source for the CDBG program. See Table 1 on page two for income types that should not be considered for this calculation. You may be requested to submit supporting documentation to the City.

| WORKSHEET 1: CURRENT MONTHLY INCOME | | | | |
|---|---|---|---|---|
| **SOURCES OF INCOME CONSIDERED** | **APPLICANT** | **HEAD/ CO-HEAD OF HOUSEHOLD** | **OTHER FAMILY MEMBERS 18 OR OLDER** | **TOTAL** |
| Wages, salary, commissions, bonuses, or tips from all jobs. Report the amount before deductions for taxes, bonds, dues, or other items. | $ | $ | $ | $ |
| Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions. Report all income and withdrawal (except when reimbursement of cash or assets invested in the operation by the family). | $ | $ | $ | $ |
| Interest, dividends, net rental income, royalty income, or income from estates and trusts. Report even small amounts credited to an account. | $ | $ | $ | $ |
| Social Security, annuities, insurance policies, retirement funds, pensions, disability benefits, death benefits or other types of similar periodic receipts. Report the total amount received. | $ | $ | $ | $ |
| Payments in lieu of earnings such as unemployment, disability, worker's, and severance compensation. Report the total amount received. | $ | $ | $ | $ |
| Any public assistance or welfare payments from state or local welfare office. Report the amount received. | $ | $ | $ | $ |
| Periodic and determinable allowances such as alimony and child support payments and regular contributions or gifts received from organizations or persons not residing in the dwelling. Report total amount received. | $ | $ | $ | $ |
| All regular pay, special pay, and allowance of a member of the Armed Forces except special pay | $ | $ | $ | $ |

| | | | | |
|---|---|---|---|---|
| for a family member who is exposed to hostile fire. Report total amount received. | | | | |
| **Total Present GROSS Monthly Household Income** | | | **A** | **$** |
| **Multiply by 12 months in a year** | | | **B** | **X 12** |
| **A times B is equal to TOTAL ANNUAL INCOME** | | | **C** | **$** |

| **TABLE 1: ITEMS NOT CONSIDERED AS PART OF INCOME** |
|---|
| Income from employment of children (including foster children) under the age of 18 years. |
| Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone). |
| Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in number 5 of Income Inclusions). |
| Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. |
| Income of a live-in aide (as defined in 24 CFR 5.403). |
| The full amount of student financial assistance paid directly to the student or to the educational institution (Subject to 24 CFR 5.609(b) [refer to Income Inclusions Tab - No. 9]). |
| The special pay to a family member serving in the Armed Forces who is exposed to hostile fire. |
| Amounts received under training programs funded by HUD. |
| Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). |
| Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. |
| Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. |
| Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program. |
| Temporary, nonrecurring, or sporadic income (including gifts). |
| Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. |
| Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse). |
| Adoption assistance payments in excess of $480 per adopted child. |
| Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts. |
| Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit. |
| Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home. |
| Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs |

| |
|---|
| and housing owners identifying the benefits that qualify for this exclusion. The following is a list of income sources that qualify for that exclusion: |
| The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]) |
| Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (e.g., employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions) |
| Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c]) |
| Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e) |
| Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624[f]) |
| Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94–540,section 6) |
| The first $2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission |
| Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1407-1408), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-11, section 327) (as amended) |
| Payments received from programs funded under Title V of the Older Americans Act of 1985 (42U.S.C. 3056g))( e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program) |
| Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange Liability Litigation, M.D.L. No. 381 (E.D.N.Y.) |
| Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728) |
| The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) |
| Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32[l]) |
| Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433) |
| Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]) |
| Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1821), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821) |
| Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602) |
| Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2)) |
| Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1780(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC) |
| Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990(25 U.S.C. 1774f(b)) |
| Deferred amounts from Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts(42 U.S.C.§ 1437a(b)(4)) |

| |
|---|
| Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.) and administered by the Office of Native American Programs |
| A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., 816 F.Supp.2d 10 (Oct 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291) |
| Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4)) |
| Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a)) |
| Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)). |

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

**Give Form to the requester. Do not send to the IRS.**

**Print or type.**
See **Specific Instructions** on page 3.

**1** Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

*(Applies to accounts maintained outside the U.S.)*

**5** Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

**6** City, state, and ZIP code

**7** List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Social security number**

☐☐☐ – ☐☐ – ☐☐☐☐

**or**

**Employer identification number**

☐☐ – ☐☐☐☐☐☐☐

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here** **Signature of U.S. person ▶** **Date ▶**

# General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments**. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See* What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting,* later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

***Example.*** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code,* later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

## Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

## Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

| IF the entity/person on line 1 is a(n) . . . | THEN check the box for . . . |
|---|---|
| • Corporation | Corporation |
| • Individual<br>• Sole proprietorship, or<br>• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes. | Individual/sole proprietor or single-member LLC |
| • LLC treated as a partnership for U.S. federal tax purposes,<br>• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or<br>• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes. | Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation) |
| • Partnership | Partnership |
| • Trust/estate | Trust/estate |

## Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|---|---|
| Interest and dividend payments | All exempt payees except for 7 |
| Broker transactions | Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 4 |
| Payments over $600 required to be reported and direct sales over $5,000[1] | Generally, exempt payees 1 through 5[2] |
| Payments made in settlement of payment card or third party network transactions | Exempt payees 1 through 4 |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

### Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

### Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester,* later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code,* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) other than an account maintained by an FFI | The actual owner of the account or, if combined funds, the first individual on the account[1] |
| 3. Two or more U.S. persons (joint account maintained by an FFI) | Each holder of the account |
| 4. Custodial account of a minor (Uniform Gift to Minors Act) | The minor[2] |
| 5. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee[1] |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner[1] |
| 6. Sole proprietorship or disregarded entity owned by an individual | The owner[3] |
| 7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A)) | The grantor* |
| **For this type of account:** | **Give name and EIN of:** |
| 8. Disregarded entity not owned by an individual | The owner |
| 9. A valid trust, estate, or pension trust | Legal entity[4] |
| 10. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 11. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 12. Partnership or multi-member LLC | The partnership |
| 13. A broker or registered nominee | The broker or nominee |
| 14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B)) | The trust |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships,* earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

**Note:** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint.* You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

## EXHIBIT 2: GRANT AGREEMENT

(Attached)

**CITY OF PARAMOUNT**
**COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE RELIEF GRANT PROGRAM**
**GRANT AGREEMENT**

THIS GRANT AGREEMENT ("Agreement") is dated _____ (the "Effective Date") and is between the City of Paramount (the "City"), a municipal corporation, and _____ (the "Grantee"), an eligible, private, for-profit business.

## RECITALS

WHEREAS, the City is an Entitlement Grantee of the U.S. Department of Housing and Urban Development ("HUD") for purposes of receiving Community Development Block Grant ("CDBG") funds under the Federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 *et seq*., as amended from time to time, the "Act") and the pertinent sections of the Code of Federal Regulations (24 CFR Part 570 and 2 CFR Part 200, as amended from time to time, the "Regulations"), Catalog of Federal Domestic Assistance Number 14.218, to assist and undertake essential housing, community, and economic development activities; and

WHEREAS, in response to the Coronavirus Pandemic ("COVID-19"), HUD has notified the City that it will receive a formula allocation from the first round of CDBG-CV funding to be used specifically for the prevention of, preparation for, and response to COVID-19, which allocation was authorized by the Federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 (the "CARES Act"); and

WHEREAS, in response to the economic hardships experienced by businesses resulting from the pandemic, the City has launched the COVID-19 Emergency Small Business Assistance Relief Grant Program (the "Program") to provide direct relief to stabilize local businesses and create or retain jobs, especially those held by low- and moderate-income residents (applicable to small businesses); and

WHEREAS, Grantee is eligible for participation in the Program by virtue of Microenterprise Businesses meeting the following criteria:

- Five (5) or fewer total employees (including owner)
- Business owner's family income is less than 80% area median income
- Business is located within Paramount city boundaries
- Owner is 18 years or older
- Business or owner has a DUNS number, or will have applied for one at the time of application (https://fedgov.dnb.com)
- Business has a valid Federal Employer Identification Number (FEIN), also known as Employer Identification Number (EIN) or Social Security Number (SSN) for sole proprietors
- Business has a bank account
- No person who is subject to the provisions of this program's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business.
- At time of application, business is current with business license
- Business was adversely impacted because of the COVID-19 pandemic and can provide supporting documentation illustrating the impact
- Certification that the business has neither received nor will seek other grants, loans, or other assistance from any private, local, state, or federal funding source for the same use as identified in the program application. For example, if a

business received the SBA PPP Loan for payroll costs in May and June, CDBG assistance could not be used for payroll costs for the same time period; and

Small Business meeting the following criteria:

- Business does not qualify as a microenterprise (see prior section)
- Twenty (20) or fewer employees (including owner)
- Commitment to create or retain at least one full time equivalent (FTE) permanent job as a result of the ESB program; 51% of all jobs created or retained must be held or made available to low- or moderate-income individuals
- Business is located within Paramount city boundaries
- Owner is 18 years or older
- Business or owner has a DUNS number, or will have applied for one at the time of application (https://fedgov.dnb.com)
- Business has a valid Federal Employer Identification Number (FEIN), also known as Employer Identification Number (EIN)
- Business has a bank account
- No person who is subject to the provisions of this program's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business.
- At time of application, business is current with a City of Paramount business license
- Business was adversely impacted because of the COVID-19 pandemic and can provide supporting documentation illustrating the impact
- Certification that the business has neither received nor will seek other grants, loans, or other assistance from any private, local, state, or federal funding source for the same use as identified in the program application. For example, if a business received the SBA PPP Loan for payroll costs in May and June, CDBG assistance could not be used for payroll costs for the same time period.

NOW, THEREFORE, the parties agree as follows:

1. **GRANT**. The City shall provide the Grantee with a grant of $_____ (the "Grant") to assist the Grantee in maintaining business operations at _____, Paramount, California subject to and in accordance with the conditions and covenants set forth herein, including the Program Guidelines (the "Guidelines") attached hereto as Exhibit "A" and incorporated herein by this reference and the proposed grant budget in the application, attached hereto as Exhibit "B." The City has full discretion to amend the Guidelines, and Grantee hereby agrees to abide by the Guidelines, as may be amended from time to time. If the City amends the Guidelines, the City shall provide notice to Grantee of the amended Guidelines as soon as possible. If the Grantee seeks to amend the proposed budget allocation in the application, it can do so by submitting a written request to the Planning Director, Planning Department.

2. **TERM**.

   A. Upon execution of this Agreement, the City shall disburse the full grant as soon as feasible.

   B. If the Grantee complies with all requirements set forth herein, this Agreement shall terminate on September 1, 2022, whereupon all obligations of the Grantee

for repayment of funds shall cease. Notwithstanding the foregoing, the City expressly reserves and does not waive its rights to recover any damages arising from or relating to the Grantee's breach of this Agreement and/or any attachment hereto which occurred (in whole or in part) before said termination.

C. In consideration of the Grantee's receipt of funds from the City, the Grantee hereby assigns to the City all of its future rights to reimbursement and all payments received from any grant, subsidized loan, or insurance policies of any type or coverage or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency or the Small Business Administration or other program to the extent of proceeds paid to the Grantee under this Agreement and that are determined in the sole discretion of the City to be a duplication of benefits ("DOB"). Upon receiving any DOB proceeds, the Grantee agrees to immediately notify the City. If some or all of the proceeds are determined to be a DOB, the portion of the grant that is a DOB shall be paid to the City forthwith.

3. **REPRESENTATIONS AND WARRANTIES**. The Grantee hereby represents and warrants to the City as follows:

A. The Grantee has read and is familiar with all of the terms and provisions of the Act and the Regulations applicable to the Grantee.

B. The Grantee is a business eligible to receive CDBG funds under the Guidelines, the Act, and the Regulations.

C. The Grantee's intended uses of the Grant are permitted uses of CDBG funds under the Guidelines, the Act, and the Regulations.

D. The Grantee shall not undertake any construction activities paid for in whole or in part with CDBG-CV funds requiring the City or Grantee to comply with the provisions of the Davis-Bacon Act, 40 U.S.C. Section 276a *et seq.*, as amended.

E. The Grantee shall not undertake any activities requiring the City or the Grantee to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 *et seq.*, as amended (the "URA"), and implementing regulations at 49 CFR Part 24 and 24 CFR § 570.606(b); (b) the requirements of 24 CFR § 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the Act; or (c) the requirements in 24 CFR § 570.606(d) governing optional relocation policies.

F. The Grantee agrees that it has not received nor will seek other grants or loans from federal, state, local, or private sources for the same purpose and use of funds as stated in my grant application. If the Grantee receives additional assistance, the Grantee certifies that the Grantee shall notify the City of within seven (7) business days.

G. The Grantee was adversely impacted by the COVID-19 pandemic and has provided adequate documentation within the grant application.

H. The Grantee and its subsidiaries do not have plans to relocate jobs at the time of

this agreement that would result in significant job loss in a labor market and shall reimburse all assistance provide in the event that such relocation occurs.

I. **MICROENTERPRISE** - The grantee has five (5) or fewer employees (including the owner) and the grantee owner has a family income at or below 80% of Area Median Income.

J. **SMALL BUSINESSES** - The Grantee understands and certifies that the purpose of the Program is to create and retain permanent jobs. The Grantee further understands and certifies that at least 51% of the jobs shall be made available to or held by low- or moderate-income persons and shall provide training for any of those jobs requiring special skills or education. If a job is ultimately not held by a low- or moderate-income individual, the Grantee certifies that the job shall be made available to low- and moderate-income individuals in accordance with the Program guidelines and application. The Grantee understands that if the Grantee does not create or retain low- or moderate-income jobs or make such jobs available to low- or moderate-income individuals, the Grantee may be required to repay the grant. For all jobs retained, the Grantee certifies that those jobs would have been lost, but for the CDBG assistance and have provided adequate documentation within the grant application. For all retained jobs that are anticipated to turnover within the next two years, the Grantee shall provide adequate justification within the grant application as to why it is anticipated that the job will transition.

The Grantee commits to creating and retaining the jobs summarized below:

| | |
|---|---|
| Total Anticipated Jobs Created: | Job Title:<br>FTE Equivalent:<br>Special Skills/Education Required: |
| Total Anticipated Low- and Moderate-Income Jobs Created: | Job Title:<br>FTE Equivalent:<br>Special Skills/Education Required: |
| Total Anticipated Jobs Retained: | Job Title:<br>FTE Equivalent:<br>Special Skills/Education Required: |
| Total Anticipated Low- and Moderate-Income Jobs Retained: | Job Title:<br>FTE Equivalent:<br>Special Skills/Education Required: |
| Retained jobs anticipated to turnover in two years and be made available to low- or moderate-income person: | Job Title:<br>FTE Equivalent:<br>Estimated Turnover Date:<br>Special Skills/Education Required: |
| Actions to ensure that low- and moderate-income persons receive first consideration for jobs created: | |

K. The Grantee understands and certifies that the Grantee may be prosecuted if the Grantee commits fraud. If the Grantee is found guilty of committing fraud, the Grantee shall no longer be entitled to receive business assistance on their behalf

from the City.

4. **COMPLIANCE WITH LAWS**. The Grantee shall comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570, including Subpart K of Part 570, except that the Grantee does not assume the City's environmental responsibilities described in Section 570.604 or the responsibility for initiating the environmental review process under Part 52 of Title 24 of the Code of Federal Regulations. The Grantee shall comply with all other applicable federal, state, and local laws, regulations and policies governing the funds provided under this Agreement, including, but not limited to, the applicable provisions of Part 200 of Title 2 of the Code of Federal Regulations.

5. **AUDITING**. All Grantee records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Grantee within 30 calendar days after receipt by Grantee. Failure of the Grantee to comply with the above audit requirements shall constitute a violation of this Agreement and may result in the withholding of future payments. The Grantee shall be subject to the audit requirements contained in 2 CFR Part 200. In addition, the Grantee shall be subject to random audits by the City in its administration of the City's CDBG program and federally funded projects/programs.

6. **REPORTING**. The Grantee shall submit any reports, forms, or other documentation required by this Agreement, the Regulations, the Guidelines, and other applicable law. The Grantee shall provide the City with such reports and information as the City may reasonably request in order to allow the City to comply with this Agreement, the Regulations, the Guidelines, and other applicable law. The Grantee's obligations under this Section shall survive the termination of this Agreement. **If the Grantee fails to follow the reporting requirements, the Grantee may be required to reimburse funds already paid.**

7. **DISCRIMINATION**. The Grantee shall abide by Sections 570.601 and 570.602 of Title 24 of the Code of Federal Regulations, which require compliance with various anti-discrimination laws, and particularly requires that no persons in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds. The Grantee shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the Act are still applicable. Further, the Grantee shall comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program.

8. **CIVIL RIGHTS**. The Grantee shall comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Act, as amended, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as

amended by Executive Orders 11375, 11478, 12107 and 12086.

9. **LICENSING**. The Grantee shall obtain and maintain all licenses, registrations, accreditation, and inspections from all agencies governing its activities under this Agreement. The Grantee shall ensure that its staff shall also obtain and maintain all required licenses, registrations accreditation and inspections from all agencies governing the Grantee's activities under this Agreement.

10. **RECORDS**. The Grantee shall maintain all records as to the use and expenditure of funds under this Agreement, as well as all documents pertaining to the Program and required reporting records. All documents and records shall be made available for inspection and copying during normal business hours by the City or by HUD. **The Grantee shall retain all financial records, supporting documents, statistical records and all other records pertinent to this Agreement four (4) years from the Effective Date.** Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later. The Grantee shall maintain all records required by the federal regulations specified in 24 CFR § 570.506, that are pertinent to the Program and this Agreement.

11. **INDEMNIFICATION**.

    A. The Grantee shall defend, hold harmless and indemnify City, its officers, employees, volunteers, and agents, including those serving as independent contractors in the role of City officials, from any claim, demand, damage, liability, loss, cost or expense, for any damage whatsoever, including without limitation death or injury to any person and injury to any property, arising out of, attributable to, or connected with the performance by the Grantee of this Agreement.

    B. City does not, and shall not, waive any rights that it may possess against the Grantee because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense. The Grantee agrees that the Grantee's covenant under this Section shall survive the expiration or termination of this Agreement.

    C. <u>Non-liability of City Officers and Employees</u>. No officer or employee of the City shall be personally liable to the Grantee, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Grantee or to its successor, or for breach of any obligation of the terms of this Agreement.

12. **CONFLICT OF INTEREST**. The Grantee shall familiarize itself with the Regulations prohibiting conflicts of interest, including those contained in 2 CFR Section 570.611 and 2 CFR Part 200. The Grantee, its assigns, employees, agents, consultants, and officers shall comply with and shall not violate any provision of the Regulations. Any violation of those Regulations related to conflicts of interest shall be deemed a material breach of

this Agreement and the Agreement shall be immediately terminated by the City.

13. **ELIGIBILITY**. As to the Grantee or its claimants, the City shall bear no liability for any later determination by HUD or any other person or entity that the City or the Grantee is or is not eligible under Part 570 of Title 24 to receive CDBG funds.

14. **SUSPENSION AND TERMINATION**.

A. City may terminate this Agreement upon 30 calendar days' by written notice to the Grantee. City may immediately terminate this Agreement upon the termination, suspension, discontinuation or substantial reduction in CDBG funding for the Program. Additionally, City may terminate this Agreement upon seven (7) calendar days' by written notice to the Grantee if City determines in its sole discretion that such action is necessary to respond to a catastrophe, such as, an earthquake, fire, or other manmade disaster or act of God. In the event of termination, the Grantee shall be entitled to reimbursement only for approved expenses incurred up to the effective date of termination to the extent CDBG funds are available.

B. In accordance with 2 CFR Part 200, the City may suspend or terminate this Agreement if the Grantee materially fails to comply with any term of this Agreement, which include, without limitation, the following:

1) Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2) Failure, for any reason, of the Grantee to fulfill in a timely and proper manner its obligations under this Agreement;

3) Ineffective or improper use of funds provided under this Agreement; or

4) Submission by the Grantee to the City of reports that are incorrect or incomplete in any material respect.

C. This Agreement may also be terminated for convenience by the City or the Grantee, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the Agreement will not accomplish the purpose for which the Agreement was made, the City may terminate this Agreement in its entirety.

D. If the City demands full or partial repayment of the Grant due to the Grantee's failure to comply with any applicable term of this Agreement, the Act, or the Regulations, or any other applicable law, the Grantee shall repay the City within seven (7) business days.

15. **DEBARMENT AND SUSPENSION**. The Grantee shall comply with the government-wide debarment and suspension requirements in Parts 200 and 2424 of Title 2 of the Code of Federal Regulations.

16. **DRUG-FREE WORKPLACE REQUIREMENTS**. The Grantee shall comply with the drug-free workplace requirements in accordance with the Act and the Part 24, Subpart F of Title 24 of the Code of Federal Regulations.

17. **BYRD ANTI-LOBBYING AMENDMENT**. The Grantee certifies that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or officer or employee of Congress in connection with obtaining any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The Grantee shall disclose any lobbying with non-Federal funds that takes place in conjunction with obtaining any Federal award. The Grantee shall require that the foregoing language be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose as follows: "This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure."

18. **EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION (EEO/AA)**. The Grantee agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Grantee shall take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discriminating clause. The Grantee shall ensure that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin. The Grantee shall, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that it is an Equal Opportunity or Affirmative Action employer.

19. **INDEPENDENT CONTRACTOR**. Neither the City nor any of its employees shall have any control over the manner, mode or means by which the Grantee, its agents or employees, implements the Program as required herein, except as otherwise set forth herein. The City shall have no voice in the selection, discharge, supervision or control of the Grantee's employees, servants, representatives or agents, or in fixing their number, compensation, or hours of service. The Grantee shall implement the Program as required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with the role. The Grantee shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or be deemed to be a partner of the Grantee in its business or otherwise or a joint venture or a member of any joint enterprise with the Grantee. The City shall be exempt from payment of all Unemployment Compensation,

FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Grantee is an independent contractor.

20. **CITY RECOGNITION**. The Grantee shall ensure recognition of the role of the City in administering the Program through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Grantee shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

21. **SUBCONTRACTING AND ASSIGNMENT**. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of the City. The Grantee shall furnish and cause each of its approved subcontractors to furnish all information and reports required under this Agreement and shall permit access to its books, records and accounts by the City, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated in this Agreement. The Grantee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Grantee's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Grantee shall include the provisions of this Agreement, in every approved subcontract or purchase order, specifically or by reference, so that such provisions shall be binding upon each of its approved subcontractors.

22. **WAIVER**. Waiver by either party of any of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by the City of any payment to the Grantee constitute or be construed as a waiver by the City of any breach of covenant, or any default that may then exist on the part of the Grantee, and the making of any such payment by the City shall in no way impair or prejudice any right or remedy available to the City with regard to such breach or default.

23. **ENTIRE AGREEMENT AND MODIFICATION**. This Agreement contains the entire agreement of the parties and supersedes all other prior negotiations, understandings or agreements. This Agreement may be modified only by the written consent of the parties. The City may, in its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications shall be incorporated only by written amendment signed by both the City and the Grantee.

24. **NOTICE**. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid first class mail, to the following addresses:

To City: City of Paramount
Attn: John Moreno, City Manager
16400 Colorado Avenue

Paramount, CA 90723

To Grantee: _____
Attn: _____
_____
_____

Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in 72 hours from the time of mailing if mailed as provided in this Section.

25. **CORPORATE AUTHORITY**. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) such persons are duly authorized to execute and deliver this Agreement, on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

26. **HEADINGS**. The headings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

27. **SEVERABILITY**. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall remain in full force and effect.

28. **GOVERNING LAW.** The City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Paramount. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

29. **PROHIBITED INTEREST.** No officer, or employee of the City of Paramount shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Grantee, or Grantee's sub-contractors. Grantee hereby warrants and represents to the City that no officer or employee of the City of Paramount has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Grantee. Grantee further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

30. **NO THIRD-PARTY BENEFICIARIES INTENDED.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

Si necesita la traducción de este documento en español, comuníquese con el Departamento de Planificación al (562) 220-2036.

**[*SIGNATURE PAGE FOLLOWS*]**

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by its officers on the date written introductory clause.

CITY OF PARAMOUNT

BY: _____
John Moreno, City Manager
City of Paramount

GRANTEE

BY: _____

_____
Name

_____
Title

BY: _____

_____
Name

_____
Title

# EXHIBIT "A"

# PROGRAM GUIDELINES

# EXHIBIT “B”

# GRANTEE APPLICATION

## EXHIBIT 3: DUPLICATION OF BENEFITS (DOB) POLICIES & PROCEDURES

## DOB CERTIFICATION

## SUBROGATION AGREEMENT

(Attached)

# City of Paramount

# Policies & Procedures
# Duplication of Benefits

AUGUST 2020

# Table of Contents

Introduction – Policy Purpose ..... 3
Definition of (DOB) Duplication of Benefits ..... 3
City Responsibilities ..... 3
DOB Analysis – Determination and Verification ..... 4
Loans ..... 4
Compliance and Recapture of Funds ..... 5
Monitoring ..... 5

# Introduction – Policy Purpose

These policies and procedures establish the process for which the City of Paramount will use to prevent the occurrence of duplication of benefits in accordance with the Stafford Act (section 312), as amended, the Disaster Recovery Reform Act of 2018, the Coronavirus Aid, Relief, and Economic Security Act, and the OMB Cost Principles (2 CFR § 200).

This policy is relevant for all CDBG-CV activities as well as activities with FY2019 and FY2020 formula CDBG allocations that are used to prevent, prepare for, and respond to coronavirus. These policies and procedures are applicable to the City as well as its subrecipients and/ or contractors who are assisting in the design and implementation of projects and activities with these funding sources.

# Definition of (DOB) Duplication of Benefits

A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. Within the CDBG-CV program, all grantees are bound by Section 312 of the Stafford Act, as amended, and the OMB Cost Principles within 2 CFR 200 that require that all costs must "be necessary and reasonable for the performance of the Federal award."

# City Responsibilities

The Department of Planning is responsible for ensuring that all CDBG-CV requirements are met, including the prevention duplication of benefits.

For all programs required to comply with DOB requirements, the City will conduct the following activities.

1. Prior to awarding any grants to a beneficiary/ entity (person, family, household, business, or other entity receiving assistance) (either directly or through a contractor/ subrecipient), the City will establish a list of potential funding federal, state, local, and non-governmental funding sources that may present a potential duplication of benefit.[1]
2. The City or its designee will request applicants to report if they are receiving or anticipate receiving any assistance from the identified sources or other sources made available to the applicant.
3. For applicants that are receiving additional or other assistance, the City or its designee will incorporate the other loans or grants into its calculation of maximum level of award.
4. Prior to issuing award, the City or its designee will review the application, the calculated maximum level of award, and any other information provided by the applicant to assess

[1] Appendix 1: CARES Act Programs through SBA, FEMA, IRS, Treasury, USDA, and HHS for CDBG Grantees' Awareness for Duplication of Benefits

whether the CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by the applicant. The City or its designee will document this finding in the program file.

5. The City or its designee will include a clause or attachment to the grant agreement that the beneficiary/ entity will repay all assistance that the City determines to be duplicative.[2] When necessary, the City or its designee will use a subrogation agreement and a duplication of benefits certification as part of the grant award.

# DOB Analysis – Determination and Verification

To determine a duplication of benefits analysis, the City or its designee shall complete the following steps:

1) Assess Need: Determine the amount of need (total cost of the activity)
2) Determine Assistance: Determine the amount of assistance that has or will be provided from all sources to pay for the cost
3) Calculate Maximum Level of Award: Determine the amount of assistance already provided compared to the need to determine the maximum CDBG-CV award
4) Document analysis: Document calculation and maintain adequate documentation justifying determination of maximum award

# Loans

Private loans are not considered a form of financial assistance and therefore are not included in the calculation of duplication of benefits. A private loan is a loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG-CV applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, *e.g.,* the loan is not forgivable. For DOB calculations, private loans are not financial assistance and need not be considered in the DOB calculation, regardless of whether the borrower is a person or entity.

Subsidized loans, such as those provided by the SBA are included in the DOB calculation unless an exception applies:

1. Declined or cancelled subsidized loans
2. Portion of loan was undistributed to beneficiary

Further, the City may structure programs related to the repayment of subsidized loans in accordance with the policies under FR-6169-N-01.

[2] Appendix 2: Sample Subrogation Agreement; Appendix 3: Sample Duplication of Benefits Certification

# Compliance and Recapture of Funds

If a beneficiary/ entity is determined to have a duplication of benefits, the City or its designee shall withhold future pay requests and the approved project budget will be amended. If all funds have been expended when additional DOBs are identified or the DOB exceeds the amount of future payments, then the beneficiary/ entity will be required to repay the funds to the City. These repaid funds will be returned to the project or activity budget. If necessary, the City will reprogram these funds to alternative CDBG-CV eligible projects.

# Monitoring

The City shall verify DOB calculations are correct for beneficiaries/ entities.

For City directed projects, the City shall conduct internal project monitoring to review duplication of benefit calculations and documentation during the application/ intake process. For contractor/ subrecipient directed projects, the City shall conduct desk and in-person monitoring and include a review of duplication of benefits verification as part of those monitorings.

Documentation must be kept in each beneficiary/ entity or project file that contains the following:

- Maximum level of award calculation
    - Amount of need
    - Amount of all sources of assistance provided to a beneficiary/ entity or project
    - Final award calculation
- Documentation of other sources used by the beneficiary/ entity including description of specific use of other sources
    - Preferably third party verification or signed statement by beneficiary/ entity
        - Examples of third-party verification:
            - For FEMA programs – letters from FEMA
            - For insurance – letter from insurance company
            - For ESG programs – award letter
            - For SBA programs – letter from the SBA
- Signed certification from the beneficiary/ entity certifying that no additional benefits have been received or are anticipated to be received.
- Signed Grant Agreement from the beneficiary/ entity

Based on the risk of duplication of benefits of an individual activity or program, the City may establish more frequent monitoring or oversight to mitigate the risk of duplication of benefits from occurring. Risk of duplication of benefits will be determined if other federal/ non-federal programs are funding similar activities in the city, creating a greater chance of duplication of benefits occurring.

# DUPLICATION OF BENEFITS CERTIFICATION

## INSTRUCTIONS

The certification is divided into three (3) components:

1. Government, bank and any and all other funding received by a business for COVID-related losses.
2. Attachments;
3. Signature(s)

Read each component in full and provide the accurate information.

## Part 1. Government, Bank, and Other Funding Sources Duplication of Benefits Certification

This certification must be completed by all businesses that will receive any assistance from the COVID-19 Emergency Small Business Assistance Relief Grant Program being offered by the City of Paramount. The information within this certification will provide the City of Paramount with vital information for ongoing evaluation of duplication of benefits as required by the Stafford Act Section 312, as amended and the Coronavirus Aid, Relief, and Economic Security Act.

This section identifies any sources of funds that the business has received as a result of losses associated with the COVID-19 pandemic. Sources of funds include but are not limited to: Federal, state, and local grant programs, subsidized loans, or nonprofit donations or grants. Please indicate below the amount allocated to your business from any and all funding sources.

**Source of Funds #1**

| | |
|---|---|
| **Grant Provider Name** | |
| **Purpose / Specific Use** | |
| **Amount** | |
| ☐ **Government Loan** ☐ **Government Grant** ☐ **Government Forgivable Loan**<br>☐ **Nonprofit Grant** ☐ **Nonprofit Forgivable Loan**<br>☐ **Other:**_____ | |

**Source of Funds #2**

| | |
|---|---|
| **Grant Provider Name** | |
| **Purpose / Specific Use** | |
| **Amount** | |
| ☐ **Government Loan** ☐ **Government Grant** ☐ **Government Forgivable Loan**<br>☐ **Nonprofit Grant** ☐ **Nonprofit Forgivable Loan**<br>☐ **Other:**_____ | |

**Source of Funds #3**

| | |
|---|---|
| **Grant Provider Name** | |
| **Purpose / Specific Use** | |
| **Amount** | |
| ☐ **Government Loan** ☐ **Government Grant** ☐ **Government Forgivable Loan**<br>☐ **Nonprofit Grant** ☐ **Nonprofit Forgivable Loan**<br>☐ **Other:**_____ | |

**Source of Funds #4**

| | |
|---|---|
| **Grant Provider Name** | |
| **Purpose / Specific Use** | |
| **Amount** | |
| ☐ **Government Loan** ☐ **Government Grant** ☐ **Government Forgivable Loan**<br>☐ **Nonprofit Grant** ☐ **Nonprofit Forgivable Loan**<br>☐ **Other:_____** | |

***=== Check if no other assistance has been received by the Business===***

☐ **Business has not and is not receiving any other form of assistance.**

## Part 2. Attachments

Attached to this certification are copies of the following:

1. Award letter for any assistance received from other business assistance programs or summary of award received as well as documentation of use of funds.

## Part 3. Signature(s)

By executing this certification, Applicant(s) acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.

Dated this the _____ day of _____, 20___.

_____ _____

Applicant Signature Print Applicant name

_____ _____

Joint Applicant Signature Print Joint Applicant name

# SUBROGATION AGREEMENT

This Subrogation and Assignment Agreement ("Agreement") is made and entered into on this ___day of _____, 20____, by and between _____ ("Business") and the City of Paramount ("Grantor").

In consideration of Business' receipt of funds or the commitment by Grantor to evaluate Business' application for the receipt of funds (collectively, the "Grant") under the City of Paramount's COVID-19 Emergency Small Business Assistance Relief Grant Program (the "Program") administered by Grantor, Business hereby assigns to Grantor all of Business' future rights to reimbursement and all payments received from any grant, subsidized loan, or assistance under any business relief program related to the COVID-19 pandemic to the extent of Grant paid or to be paid to Business under the Program and that are determined in the sole discretion of the City of Paramount to be a duplication of benefits ("DOB") as provided in this Agreement.

The proceeds or payments referred to in the preceding paragraph, whether they are from a business relief program or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds," and any Proceeds that are a DOB shall be referred to herein as "DOB Proceeds." Upon receiving any Proceeds not listed on the Duplication of Benefits Certification, the Business agrees to immediately notify the Grantor of such additional amounts. The City of Paramount will determine in its sole discretion if such additional amounts constitute a DOB. If some or all of the Proceeds are determined to be a DOB, the portion that is a DOB shall be paid to the Grantor.

Business' assistance and cooperation shall include but shall not be limited to allowing suit to be brought in Business' name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing record and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the Grantor. Business further agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Business would be entitled to under any applicable business assistance program.

If requested by the Grantor, Business agrees to execute such further and additional documents and instruments as may be requested to further and better assign to the Grantor, to the extent of the Grant paid to Business under the Program, the Policies, any amounts received under the the Program that are DOB Proceeds and/or any rights thereunder, and to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the Grantor to consummate and make effective the purposes of this Agreement.

Business explicitly allows the Grantor to request of any organization with which the Business has applied for or is receiving *Proceeds*, any non-public or confidential information determined to be reasonably necessary by the Grantor to monitor/enforce its interest in the rights assigned to it under this Agreement and give Business' consent to such company to release said information to the Grantor.

Business represents that all statements and representations made by Business regarding Proceeds received by Business shall be true and correct as of the date of Closing.

**NOTICE:** Business and the person executing this Agreement on behalf of the Business are hereby notified that intentionally or knowingly making a materially false or misleading written statement to obtain property or credit is a violation of Title 18 United States Code Section 1001 and, depending upon the amount of the Grant, is punishable by a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.

The person executing this Agreement on behalf of the Business hereby represents that he\she has received, read, and understands this notice of penalties for making a materially false or misleading written statement to obtain the Grant.

In any proceeding to enforce this Agreement, the Grantor shall be entitled to recover all costs of enforcement, including actual attorney's fees.

**BUSINESS**

[*insert business name*]

Signature: _____
Name: _____
Title: _____
Date: _____

**GRANTOR:**

City of Paramount

Signature: _____
Name: _____
Title: _____
Date: _____