

2021 Dixie Fire Recovery For-Profit Business Economic Development GRANT PROGRAM GUIDELINES

RELEASED JULY 22, 2024

***UPDATED BASED ON BOARD OF SUPERVISORS
AUGUST 6, 2024, MEETING DIRECTION***

PRE-APPLICATION WORKSHOP PRESENTATION July 24, 2024 & August 7, 2024

*GUIDELINES ARE SUBJECT TO CHANGE AND BOARD OF SUPERVISORS APPROVAL
ANTICIPATED TO GO BEFORE THE BOARD ON AUGUST 6, 2024*



*GRANTS WILL BE AWARDED TO ELIGIBLE BUSINESSES
A FIRST-COME, FIRST-SERVED ROLLING BASIS **THROUGH MAY 2026**
UNTIL ALL GRANT FUNDS ARE EXHAUSTED*

Tracey Ferguson, AICP, Planning Director
GRANT ADMINISTERED THROUGH THE
PLUMAS COUNTY PLANNING DEPARTMENT

FINANCIAL GRANT ASSISTANCE PURPOSE

*The purpose of the Grant Program is to offset business costs, promote economic activity, and provide relief by way of financial grant assistance to **established businesses directly or indirectly impacted** by the 2021 Dixie Fire as well as **start-up businesses established post-Dixie Fire** with a physical business location in the **Grant Eligibility Zone**.*

FINANCIAL GRANT ASSISTANCE ELIGIBILITY

- ▶ For-profit business; can be corporations, partnerships, or sole proprietorships
- ▶ Retail **including food service** and other goods and service-based businesses
- ▶ Businesses must be located within the “Grant Eligibility Zone”
(Census Tract 4, Block Groups 2 and 3)
 - Areas within Greenville, Crescent Mills, Taylorsville, and the Highway 70 Canyon

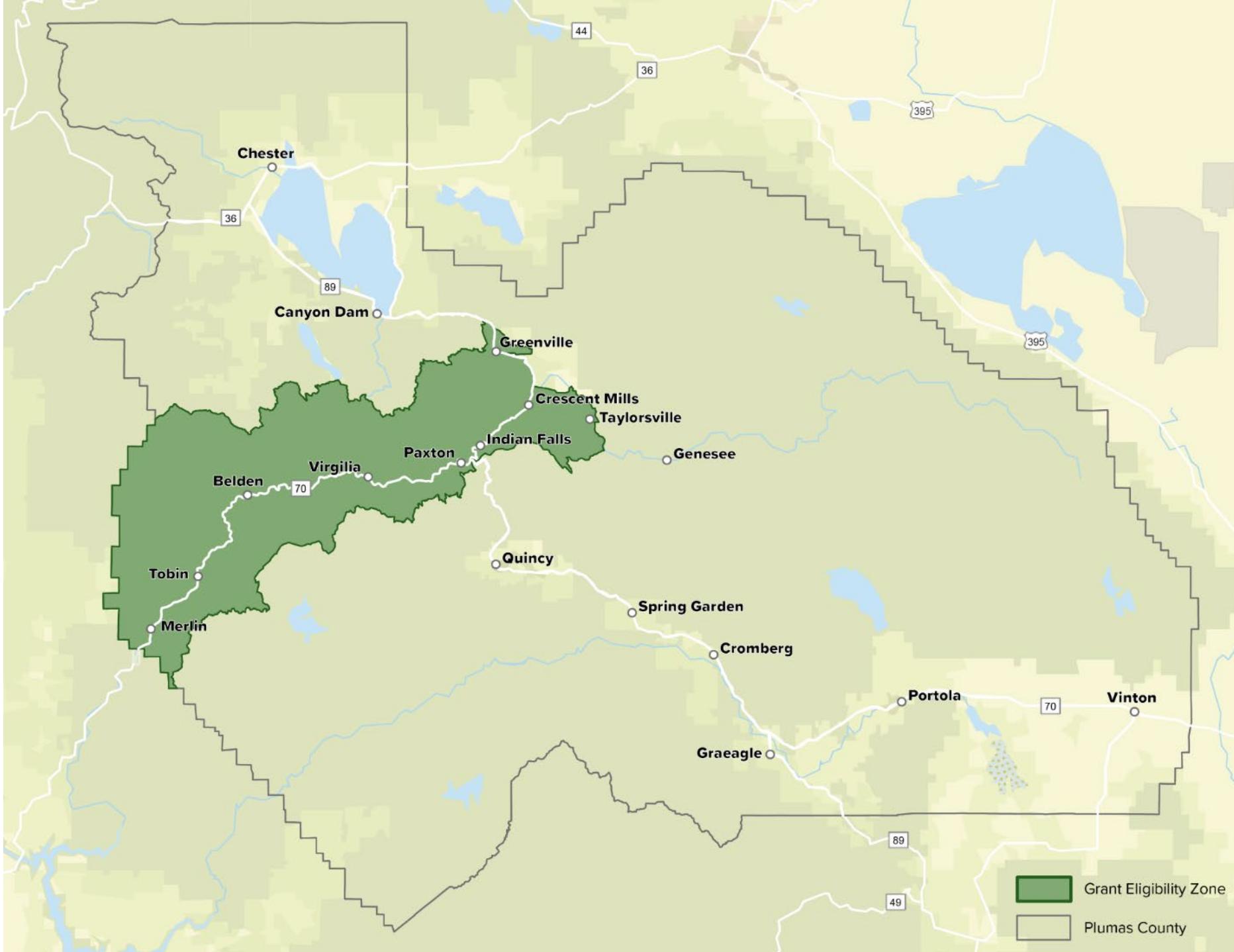
Is my business in the Grant Eligibility Zone?

- ▶ To determine if a business location is eligible, go to the Plumas County Grant Eligibility Zone Online Mapping Tool at <https://bit.ly/3WcCWjU>

FINANCIAL GRANT ASSISTANCE

DEFINITIONS

- ▶ **Established Business** – A for-profit business established before July 13, 2021 (i.e., before the start of the 2021 Dixie Fire) that was either directly or indirectly impacted by the 2021 Dixie Fire and is located within the Grant Eligibility Zone and employs one or more employees (no size limitation).
- ▶ **Start-up Business** – A for-profit business established after July 13, 2021 (i.e., after the start of the 2021 Dixie Fire) located within the Grant Eligibility Zone and employs one or more employees (no size limitation).
- ▶ **Grant Eligibility Zone** – Geographic area encompassing U.S. Census Tract 4, Block Group 2 and Block Group 3 in which a business must have a physical storefront or office location to be eligible for the grant Program.
- ▶ **Low/Mod Area (LMA)** – A low- and moderate- area is defined by HUD as an area benefit activity that benefits all residents in a particular area, where at least 51 percent of the residents are Low-Moderate Income (LMI) persons. This CDBG grant has a National Objective of LMA.
- ▶ **LMA Benefit Business Service Area** – jurisdictional boundaries of Plumas County.



FINANCIAL GRANT ASSISTANCE

CRITERIA

- ▶ Business can employ one or more employees (no size limitation).
- ▶ Business entity must have or obtain a full SAM.gov registration.
- ▶ Must be in good standing with the County of Plumas, the California Secretary of State (e.g., no liens or judgements, no unresolved code violations, etc.), and have no debarments or suspensions under a federal program.
- ▶ CDBG regulations at 24 CFR 570.209(b) require that grantees ensure at least a minimum level of public benefit is obtained from the expenditure of CDBG funds for Economic Development activities.
- ▶ Must provide documentation that the business is providing goods or services that are available to all residents in the LMA Benefit business service area (i.e., Plumas County).
 - Note: a high-end business, real estate company, or other company that does not provide services that are available to all residents—regardless of income, accessibility needs, or other similar limiting features—would not qualify under LMA Benefit.

FINANCIAL GRANT ASSISTANCE FUNDING

- ▶ Community Development Block Grant (CDBG) funding received from the U.S. Department of Housing and Urban Development (HUD) and administered by the California Department of Housing and Community Development (HCD).
- ▶ The total grant funding available is \$567,500.
- ▶ The number of beneficiaries under the County's grant funding objective is to assist no fewer than twenty-five (25) grant recipients.
- ▶ Grants will be awarded on a first-come, first-served grants on a rolling basis until funds are exhausted.
- ▶ **Grants to any one business will be no more than \$20,000**; however, if any one business maximizes the \$20,000 grant with at least 50 percent (or \$10,000 worth or more) of eligible activities purchased from a business located in Plumas County, then an additional incentive increase of \$2,700 in funding may be granted.
- ▶ **Therefore, the maximum grant award amount will not exceed \$22,700.**

FINANCIAL GRANT ASSISTANCE

ELIGIBLE ACTIVITIES

- ▶ Eligible activities are under the CDBG Economic Development Activity “18A ED: Direct Financial Assistance to For-Profits” are required **to carry out economic development that minimizes, to the extent practicable, the displacement of business and jobs** and include the following:
- ▶ Reimbursement and/or purchase of **Equipment and Supplies**
 - Machinery and tools
 - Office equipment and software
 - Furniture and fixtures
- ▶ Future payments of up to six (6) months of **Operating Capital Expenses** in support of the business
 - Payroll
 - Insurance
 - Utilities
 - Rent/mortgage

FINANCIAL GRANT ASSISTANCE

DEFINITIONS

- ▶ **Equipment and Supplies** – Tangible, nonexpendable, assets and non-consumable (non-perishable items) used in the operation of a business that does not require third party installation or construction **by a licensed contractor and would not trigger federal labor compliance standards**, including:
 - **Machinery and Tools:** Devices or apparatuses used in business operations, such as manufacturing equipment, industrial machines, and other mechanical tools such as hand tools, power tools, and specialized equipment necessary for specific trades or professions.
 - **Office Equipment and Software:** Items including computers and computer programs and applications essential for business operations such as software licenses, printers, copiers, fax machines, and other technology used in office settings.
 - **Furniture and Fixtures:** Desks, chairs, shelving units, appliances, and other **indoor and outdoor** furnishings and physical items or materials such as cleaning or other supplies that are a necessary part of the business setup and/or going operations and functions.
- ▶ **Operating Capital Expenses** – expenditures required for companies to continue daily operations, including payroll, insurance, utilities, and rent/mortgage.

FINANCIAL GRANT ASSISTANCE LABOR COMPLIANCE

Under Section 1.2 of the Guidelines (Definitions and Abbreviations) “Equipment and Supplies” is defined as tangible, nonexpendable, assets and non-consumable (non-perishable items) used in the operation of a business that does not require third party installation or construction by a licensed contractor and would not trigger federal labor compliance standards.

For example, if an eligible business would like to install a generator (project), the environmental review would need to cover not only the purchase of the generator but also the installation, which, depending on type of installation, could affect the environmental clearance. Further, labor compliance standards are triggered and apply to business construction, including installation, such as a generator for example, at a threshold of \$2,000. Applicants should note that under CDBG federal regulations, the purchase and installation cannot be bifurcated to avoid labor standards (i.e., Davis-Bacon and Related Acts). The installation of the generator, for example, by a licensed contractor would be part of the project and both environmental review and labor standards would apply.

Therefore, due to the definition of “Equipment and Supplies” being those items that do not require third party installation or construction by a licensed contractor, the installation of a generator would not be an eligible activity because it would require installation by a licensed contractor and would trigger federal labor compliance standards.

FINANCIAL GRANT ASSISTANCE DOCUMENTATION REQUIREMENTS EQUIPMENT AND SUPPLIES

- ▶ Equipment and Supplies (reimbursement and/or purchase)
 - Provide receipt(s) of eligible equipment and/or supplies
 - Provide three (3) quotes (informal solicitation) to show the most reasonable market value for business needs

For example, if the applicant wishes to use grant money to purchase a commercial refrigerator, the applicant must ensure that the cost is reasonable as compared to other commercial refrigerators, is best suited to their business needs, and is the best price found across the sources.

While CDBG procurement requirements do not apply to activities undertaken by private, for-profit entities receiving CDBG assistance, the County's procurement procedures must be followed, and costs must be reviewed during grant underwriting analysis to ensure reasonableness of cost(s) and eligibility.

Further, in recognition of the economic benefits provided by equipment and supplies sourced from businesses located within Plumas County, the County's procurement procedures allow a local preference credit of 5% but not cumulatively greater than five thousand dollars (\$5,000) as part of the solicitation process.

FINANCIAL GRANT ASSISTANCE DOCUMENTATION REQUIREMENTS OPERATING CAPITAL EXPENSES

- ▶ Operating Capital **Expenses** (future payment)
 - Payroll: Provide the most recent six (6) months of payroll, if available
 - Insurance: Provide the most recent six (6) month insurance payment, if available
 - Utilities: Provide the most recent six (6) months of utility bills, if available
 - Rent/Mortgages: For rent payments, provide the most recent six (6) months of rental statements, if available, and provide copy of the business lease (rental) agreement. For mortgage payments, provide the most recent six (6) months of mortgage statements, if available, and parcel proof of ownership.

FINANCIAL GRANT ASSISTANCE

AUGUST 6, 2024, BOARD OF SUPERVISORS

QUESTIONS & ANSWERS

1. Should the Program Guidelines allow one individual with multiple separate businesses to submit multiple grant applications for more than one business? Or should the Program Guidelines limit one individual with multiple separate businesses to only submit one grant application for one of the businesses?

ANSWER: Allow one business owner to submit one grant application for one business from date of application release to 90 days post-application release; then, should funding remain available; allow one individual owner to submit multiple grant applications for multiple separate businesses.

2. A primary objective of the Grant Program is to assist businesses that were burned down in the 2021 Dixie Fire, and a business owner can utilize the burned down business address location in the Grant Eligibility Zone to apply for grant assistance only if they plan to return and rebuild the business in that same fire-affected location. From the date of executing the grant agreement with the County, what length of time should the Program Guidelines allow a business owner to rebuild and become operational (i.e., open to the public)? The choices are 12 months or 18 months, or other.

ANSWER: Date of state grant agreement termination being August 2026 (approximately 18 months) or up to 36 months from date of County/applicant grant agreement execution, if the CDBG federal grant requirements allow.

FINANCIAL GRANT ASSISTANCE

AUGUST 6, 2024, BOARD OF SUPERVISORS

QUESTIONS & ANSWERS

3. The total Grant Program funding available is \$567,500. The number of beneficiaries under the County's grant funding objective is to assist no fewer than 25 grant recipients with a maximum grant award amount of \$22,700. On July 30, 2024, the County received a public comment requesting an increase in the maximum grant award from \$22,700 to \$40,000. Such an increase would provide additional funding per applicant but would also result in fewer, or approximately 14, businesses receiving assistance. Should the Program Guidelines increase the maximum grant award amount? When making this decision, the Board of Supervisors should be aware that directing an increase in the maximum grant award amount would be a change to the grant funding objective under the Standard Agreement with HCD. Therefore, the change would require the Standard Agreement to be amended and approved by HCD. This action would take some time to process and delay the release of the Grant Application.

ANSWER: Remain with County's grant funding objective is to assist no fewer than 25 grant recipients with a maximum grant award amount of \$22,700.

4. Should online-only businesses located in the Grant Eligibility Zone be eligible under the Grant Program?

ANSWER: Yes, with the following nexus eligibility criteria:

Online only businesses located in the Grant Eligibility Zone may be eligible and will be reviewed on a case-by-case basis with criteria such as the effect of the 2021 Dixie Fire on the business forcing online only commerce, the extent to which commerce is created by the business in the LMA Benefit service area (i.e., Plumas County), and the location of product manufacturing needing to be in Plumas County which supports local job creation and retention.

FINANCIAL GRANT ASSISTANCE GUIDELINE QUESTIONS

For **questions or clarification** on Program Guidelines contact:

Plumas County Planning Department

Tracey Ferguson, Planning Director

555 Main Street

Quincy, CA 95971

530-283-6214

traceyferguson@countyofplumas.com

Prospective applicants can find supportive business technical assistance resources by contacting the following:

Sierra Small Business Development Center (SBDC)

Clint Koble, Advisor

530-375-0126

clint.koble@gmail.com

- ❑ **Application is anticipated to be released August 12, 2024**
- ❑ The application period is considered on a **rolling basis through May 2026** and will be **open until all Grant Program funding is exhausted**.
- ❑ Applications will be reviewed and evaluated in the order received on a **first-come, first-served basis** according to the following priorities; meets all eligibility criteria and fully complete application, with no outstanding documentation needed.

FINANCIAL GRANT ASSISTANCE ADDITIONAL DOCUMENTATION REQUIREMENTS

- ▶ Completed and signed application
- ▶ SAM.gov UEI (Unique Entity ID)
- ▶ Tax ID/Employer Identification Number (EIN), if applicable
- ▶ Business W-9 form
- ▶ Fictitious Business Name Certificate from Plumas County
- ▶ Documentation that the business is providing goods or services that are available to all residents in the LMA Benefit business service area (i.e., Plumas County)
- ▶ Documentation to determine start date of business operation, as applicable:
 - Copy of registration with the State of California's Secretary of State
 - Articles of Incorporation/Organization
 - Current Statement of Information
 - Fictitious Business Name Statement (aka DBA)
- ▶ All required operating permits and licenses including those from the Plumas County Environmental Health Department
- ▶ Proof of business insurance including at minimum general liability insurance

ADDITIONAL DOCUMENTATION REQUIREMENTS CONT.

- ▶ Business tax returns for the most recent two years filed, if available
- ▶ Profit and Loss statement for the most recent two years, if available
- ▶ Cash flow projection for the most recent two years and 2024 to-date, if available
- ▶ Payroll report or affidavit (signed by owner(s) and employee(s)) for the most recent month documenting payroll information, number of persons employed, and names and addresses of owner(s) and employee(s)
- ▶ A short business plan (1-2 pages) discussing business operations and plans, the viability of the business, and the chance of remaining open over the next 12 months; may also include a marketing and/or financial plan
- ▶ Duplication of Benefits Affidavit
- ▶ Disclosure of delinquent or defaulted federal grants or loans in the last seven (7) years, if applicable
- ▶ A description of the proposed eligible use of grant funds
- ▶ Receipts and/or documentation substantiating costs for proposed operating capital **expenses** for future payments tying CDBG economic development grant (dollars in), to operating capital **expenses** (dollars out)
 - Business lease (rental) agreement, if applicable
 - Parcel (mortgage) proof of ownership, if applicable
- ▶ Receipts and/or documentation substantiating costs for equipment and supplies purchased for reimbursement or payment

FINANCIAL GRANT ASSISTANCE

INELIGIBLE ACTIVITIES

- ▶ As determined by US Housing and Urban Development (HUD), ineligible use of funds includes:
 - ❑ “Lost revenue” or potential revenue that was never realized
 - ❑ Costs incurred prior to the applicant’s grant agreement approval
 - ❑ Costs incurred prior to the County’s completion of an environmental review
 - ❑ Costs already funded by private or public sources, including private bank loans or federal, state, and local governmental programs
 - ❑ Construction or renovation
 - ❑ Loan payments to small business association
 - ❑ Governmental uses or expenses
 - ❑ Political activities
 - ❑ Personal property
 - ❑ Personal household savings
 - ❑ Other costs as determined by federal HUD guidance

FINANCIAL GRANT ASSISTANCE

DUPLICATION OF BENEFITS & UNDERWRITING REQUIREMENTS

- ▶ CDBG funds may not be used to supplement or duplicate private, federal, state, or other local government funding.
- ▶ If an awardee receives funds for the same costs funded under the Program, they must pay back one of the funding sources.
- ▶ In accordance with HUD regulations, applicants must disclose all other private or public funding (loans and grants) received for business activities.
- ▶ Project costs are reasonable.
- ▶ Other sources of financing needed for businesses are committed.
- ▶ Documentation of need for CDBG funds, including verification that CDBG funds are not substituted for non-Federal financial funding or support.
- ▶ Business operations will be financially feasible with CDBG assistance.
- ▶ To the extent practicable, the return on the borrower's equity investment will not be unreasonably high.
- ▶ To the extent practicable, CDBG funds will be disbursed on a pro-rata basis with other finances provided to the business.

FINANCIAL GRANT ASSISTANCE

USE OF FUNDS &

MONITORING AND REPORTING

- ▶ Applicant will need to state the intended use of grant funds in the application that meets one or more of the eligible activities.
- ▶ Applicant will be required to execute a Grant Agreement with the County.
- ▶ Reporting frequency will occur at 6 months and 1 year from grant disbursement.
- ▶ Applicant is responsible for providing documentation demonstrating that grant funds were/are being used as intended and as specified in the Grant Agreement.
- ▶ Applicant is aware that reimburse the County would be required for any funds that are not used for eligible expenses, or that do not have adequate supporting documentation.
- ▶ Both the County and the grantees shall retain the receipts and other documentation of how funds were spent for at least 5 years following the close out of the individual grantee project.
- ▶ Economic development activities funded by HCD are subject to all applicable crosscutting compliance documentation requirements and federal regulations, such as environmental reviews and labor standards.

GRANT ELIGIBILITY ZONE INFORMATIONAL MAPPING

Plumas County Grant Eligibility Zone

Online Mapping Tool

<https://bit.ly/3WcCWjU>

