



City of Compton Small Business Grant Program Guidelines

Purpose: The City of Compton recognizes the immense challenges small businesses have faced due to the COVID-19 pandemic and is committed to providing meaningful support. To assist with expenses related to closures and to help businesses adopt safety measures that protect employees and customers, the City has established the Small Business Grant Program (SBG). This initiative managed by the Grants Management Department, is funded through allocated CDBG-CV resources under the federal CARES Act.

Thirty (30) eligible small businesses within the City can apply for grants of up to \$25,000 to help stabilize their operations. These grants are intended to provide critical working capital, enabling businesses to continue serving the community. Whether by retaining or creating jobs or offering goods and services in low- to moderate-income neighborhoods, this program is designed to help businesses rebuild and contribute to the City's economic recovery.

Use of Grant Funds

Funds are to be used for working capital. For example, cash that can be used to cover day-to-day operating costs such as:

- Employee payroll (excluding the owner);
- Business rent;
- Working capital to continue operations;
- Payment of outstanding business expenses; and/or
- Adaptive practices needed to remain open (i.e. equipment and supplies for physical distancing).

Eligible Business Types:

The following business types may apply to the SBG Program:

- Restaurants, coffee shops, bakeries, cafés, gastropubs, etc.
- Salons, barbers, and other grooming businesses
- Gyms, day spas, and fitness studios
- Retail and Commercial stores (such as consumer goods, electronics and appliances, health and sporting goods, furniture, clothing and shoes, kitchen equipment, books and entertainment stores, music and audio/visual equipment, etc.)
- Others not on the ineligible list (please verify with the City)

Eligibility Criteria

A business must meet the following criteria to participate in the SBG Program:

- Be located on a commercial property in the City;
- Have an existing lease or mortgage on the commercial property where its located and operated;
- Have an active business license in the City;
- Have been in continuous operation since December 26, 2019;

- Have 20 or fewer employees;
- Does not have any unresolved code violations;
- Grant Funds provided will not be used to cover the same costs for business interruptions or business closures covered by any previous small business grant funds provided by the or through Grantee’s local jurisdiction;
- Has been negatively impacted by the COVID-19 pandemic; and
- Provides goods or services to residents in a low- and moderate-income area or can retain or create one new job for a low- and moderate-income person.

Ineligible Businesses:

The following types of businesses are not eligible to participate in the SBG Program:

- Any national chain that is not locally franchised
- Massage parlors, bars, bail bond services, home-based businesses, businesses with no bona fide ground-floor commercial storefront.
- Corporate-owned fast-food restaurants (franchisees are eligible, as stated in the prior Eligible Business Section)
- Check cashing, liquor stores, smoke/cannabis shops, firearms retailers
- Non-profit organizations
- Real estate salespersons
- Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors (pawn shops, although engaged in lending, may qualify in some circumstances)
- Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds (except Eligible Passive Companies under § 120.111)
- Life insurance companies
- Businesses located in a foreign country (businesses in the U.S. owned by aliens may qualify)
- Pyramid sale distribution plans
- Businesses deriving more than one-third of gross annual revenue from legal gambling activities
- Businesses engaged in any illegal activity
- Private clubs and businesses which limit the number of memberships for reasons other than capacity
- Government-owned entities (except for businesses owned or controlled by a Native American tribe)
- Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Loan packagers earning more than one third of their gross annual revenue from packaging SBA loans
- Businesses with an Associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude
- Multi-national or publicly traded businesses are not eligible for this program.
- Business owner that is the subject of unresolved findings of noncompliance related to previous CDBG assistance.
- Adult businesses which present live performances of a prurient sexual nature or derive directly or indirectly more than *de minimis* gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.

Application Period

- The application period starts at **8:00 AM on January 13, 2025**, and ends at **5:00 PM on February 7, 2025**.
- Selected applicants who pass the initial review will receive an email notification with a letter outlining the next steps.
- Applicants who do not submit all required documentation with their application will be given a specified timeframe to provide the missing documents. However, this delay may affect their position in the queue, as the program operates on a first-come, first-served basis and prioritizes fully completed applications.

IMPORTANT DATES	PROGRAM ACTIVITIES
January 13, 2025	Application Opens
February 7, 2025	Application Closes
February 10, 2025	Start of initial review of applications

Required Documentation:

Submit the following documentation in the on-line application:

Application related forms

- Business must complete and submit Small Business Grant Application

Statement of Economic Impact during COVID-19 pandemic

- Business must submit a statement explaining/identifying the negative economic impact the business endured during the COVID-19 pandemic period including information about closure and reduction in revenue.

Proof of Financial Stability

- Business must submit 2020 and 2021 tax returns to show evidence of regular and ongoing and profitable income prior to the start of the COVID-19 pandemic.

Payroll Records

- Business will provide payroll records documenting the number of employees working in the business.
- Quarterly Contribution Return and Report of Wages Form DE 9C (QTR 1, 2,3 and 4 of 2024)

Business Registration Certificate

- Business will provide a copy of its active business license issued by the **City**.

Sam.gov Status

- Print out of Sam.gov “Active Status”, if print out is unavailable please provide Sam.gov number for online inquiry.

Lease Agreement/Mortgage Statement for Commercial Space

- For “Brick and Mortar” businesses- provide a current copy of the lease agreement/mortgage statement for the commercial space their business occupies.
- For Co-Op and Shared Workspaces- provide a current copy of space agreement showing hourly or daily rate.

Other Business Funding

- Please confirm whether your business received a PPP (Paycheck Protection Program) loan or an EIDL (Economic Injury Disaster Loan)? If so, please provide the loan amounts and explain what the funds were used for.

Government Issued Identification

- All business owners with a 20% or greater ownership interest must submit a copy of a government issued identification. Examples include:
 - Driver’s license with a photograph
 - State identification card with a photograph
 - Immigration and Naturalization Service documents – must contain a photograph
 - Military identification with a photograph
 - Alien Registration Card with a photograph
 - Valid passport

Businesses Qualified under Job Creation or Retention - Documentation

One full or part-time equivalent, permanent job must be created or retained no later than 6 months after the grant funds are provided. Documentation can be accomplished by the completion of a self-certification form by the employee at the time of retention or hire. The form will collect the employee’s name, contact information, household size and income, hours worked per week, demographic information and any employer provided benefits. Program staff will follow up with the business 6 months after the grant to collect the self-certification job form.

If a business applicant has laid off some or all employees, but reports they intend to hire once this crisis ends-this can be job creation. If a business has not laid off employees but reports they will have to; they need to document that *BUT FOR* this assistance, they will have to lay off employees. This can be accomplished through the completion of the Job Retention/Creation Certification form.

Businesses Qualified under Provides Goods or Services to a low-and moderate-income area

Businesses qualified under the provision "Provides Goods or Services to a Low- and Moderate-Income Area" are those that operate in or deliver products or services to areas of Compton where a significant portion of the population has lower income levels, aiming to support economic growth and improve access to essential services for these communities.

Questions or Concerns

Please direct any questions or concerns to:



City of Compton
Grants Management Department
(310) 605-5580
contactgrants@comptoncity.org