

SMALL BUSINESS CONTINUITY FUND GRANT PROGRAM FAQ'S

PLEASE READ THE FOLLOWING FAQ'S BEFORE BEGINNING THE APPLICATION PROCESS

Q1. How do I apply?

1. Applications will be accepted between May 4 through May 11, ending at 11:59 p.m.
2. The Small Business Continuity Fund grants and loans will be awarded through a lottery process.
3. All completed, eligible applications submitted from May 4 through May 11 at 11:59 p.m. will be considered.
4. Late applications will not be accepted.
5. All applications must be completed online at www.dallascityhall.com.
6. Use your smartphone, your tablet, or your desktop to apply.
7. It is available in English and Spanish.
8. Please attempt to fill out the application online first. If a small business owner still has questions about the application, call 469-749-6500 from Monday-Friday, 9 a.m.-5 p.m. * or email SBCF@dallascityhall.com.

**Due to high call volume, please be prepared for longer than average hold times or a busy signal.*

Q2. How does the lottery selection work?

1. All completed, eligible applications submitted between May 4 and May 11 at 11:59 p.m. will be considered.
2. There will be a separate lottery for the loan and grant programs.
3. For the grant program, there will be two lotteries: one for businesses in distressed areas and one city-wide.

Q3. Why a lottery?

1. A lottery was selected due to anticipated demand (other cities have had more than 9,000 initial applications) and allow outcomes that were more equitable than first come, first serve.

Q4. How many grants and loans will be funded?

1. With \$2.5 million available for grants and a maximum grant amount of \$10,000, we anticipate providing a minimum of 250 grants.
2. With \$2.5 million available for the loan program and a maximum loan amount of \$50,000, we anticipate providing a minimum of 50 loans.

Q5. Who is eligible?

All applications will be carefully screened to determine Stabilization Fund award eligibility.

1. Business based in the City of Dallas
2. Business must demonstrate 25% or more loss of income/revenue due to the COVID-19 pandemic.
3. Annual revenue under \$1.5 million.
 - Business owners must meet one of the two criteria:
 - a. A microenterprise (five or fewer employees, including the owner) that is owned by a low- to moderate-income (LMI) individual
 - b. Small businesses with 50 or fewer employees of which 51% or more are LMI

Q6. Who is NOT eligible?

1. Ineligible businesses include but are not limited to:
 - a. Businesses that do not meet the funding qualifications.
 - b. Businesses restricted to patrons above the age of 18 (e.g. bars, smoke shops, and sexually oriented businesses are not eligible).
 - c. Due to Community Development Block Grant requirements, non-profit organizations.
 - d. City of Dallas staff or elected officials.

Q7. I think my business is eligible, now what?

1. All applications submitted must provide financial information, including proof of employment, profit and loss or income statements, and proof of loss of income.

Here are more details about the requirements for business eligibility:

- **Geographic location requirement:**

Businesses must be located in Dallas. Businesses not located within Dallas city limits are disqualified, in accordance with federal funding eligibility guidelines

- **Physical location requirement:**

Businesses must operate out of a physical location within Dallas city limits. Physical location includes a 'brick and mortar' edifice, farmers market, and other types of physical locations. This will be verified through a review of the Certificate of Occupancy as granted by the City of Dallas or the Secretary of State's Certificate of Formation.

- **Micro-enterprise status requirement:**

- a. Microbusiness owners must meet the income requirements established by federal funding eligibility guidelines.
- b. Micro-business owners must have low- to moderate-income (less than 80% of the Area Median Income). Micro-businesses need to employ five people or fewer, in accordance with federal funding eligibility guidelines.

	80% Area Median Income - Dallas MSA							
# of People in household	1	2	3	4	5	6	7	8
Household Income	48,300	55,200	62,100	68,950	74,500	80,000	85,500	91,050

2. Low- to moderate-income (LMI) employees requirement:
 - a. Businesses that do not meet the microbusiness definition must create or retain jobs to benefit the LMI population.
 - b. Each business owner must submit an income eligibility certification form documenting the creation/retention of jobs for LMI residents of Dallas.
 - c. Forms must indicate income levels and Dallas residency.
 - d. 51% of more employees must be LMI.
3. Proof of adverse effect on business due to COVID-19:
 - a. The business must be able to demonstrate that they have experienced a loss of income of at least 25% due to the COVID-19 pandemic.
4. Proof that all workers are eligible:

- a. Under Community Development Block Grant program requirements, all recipients of Community Development Block Grant funds must be eligible to work in the United States. This includes employees of a business owner as well as the business owner (funding recipient).

Q8. How will qualified grant awardees be selected?

1. Businesses that submitted funding for grant funding will be grouped into two categories:
 - a. Those providing documentation that they are located in distressed areas.
 - b. Those businesses that are citywide.
2. \$1.25 million is set aside for each group, with the expectation that there will be more applicants from the City-wide category.
3. Weighting the investments towards distressed areas allows the City to target businesses that are more likely to experience economic shocks.

Q9. Is the loan program open to businesses citywide?

1. Yes, the loan program is available to businesses City-wide. Potential funding will be awarded to applicants through a lottery process.

Q10. What kind of documentation is required?

1. The following required documents, financial statements / information will be presented directly to the program administrator:
 - a. W-9
 - b. Documents supporting number of employees and payroll (like an IRS 941 form)
 - c. Documentation demonstrating a 25% loss or greater of income since March 2020
 - d. Registration with Secretary of State or Dallas County (if applicable)
 - e. Profit and loss statement from previous year, and tax statements from previous year, including sales and use tax

City reserves the right to request further documentation and information it deems necessary.

Q11. How can I be assured businesses selected for funding are actually eligible?

1. After a business is selected in the lottery, staff from the Office of Economic Development or the program administrator will verify eligibility and collect documentation.
2. Being selected in the lottery is not a guarantee of funding as other criteria needs to be met.
3. During the verification process, staff will reach out to each business owner selected, confirm documentation, including a Community Development Block Grant eligibility tracking sheet (a form that tracks number of employees and income eligibility).
4. The Community Development Block Grant data form will be used to report back to the federal government at the end of the year.

Q12. Is the process of choosing awardees free from discrimination?

1. The City of Dallas' Office of Economic Development (OED) does not discriminate or disqualify business applicants based on gender, race, religion, ethnicity, sexual orientation, gender identity, family status, country of origin, disability, or other demographic categories.
2. OED will follow the same criteria qualification guidelines for all businesses and selected lottery winners randomly using tools provided at www.random.org.

Q13. What can the grant be used for?

1. Grant money may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business. Grant amounts are sized based on payroll and will be the lessor of \$10,000 or the average of two times the average payroll expenses from January to March 2020.

Q14. What can the loan be used for?

1. Loan funds may only be used for the operating expenses of the awarded business. The operating expenses are defined as the day-to-day trading operations of the business. Loan amounts are sized based on payroll, rent, utilities and inventory expenses, and will be the lessor of \$50,000 or the average of two times the average business expenses from January to March 2020.

Q15. Are applications and financial records subject to public disclosure?

1. Generally, application materials are subject to public disclosure. However, Texas state law allows for certain personal and financial information to be withheld from disclosure in order to protect the privacy of the applicants.

Q16. Can businesses awarded SBCF funding reapply for future Continuity Fund money if additional funds are available?

1. No. Businesses awarded grants or loans in the first Continuity Fund will not be eligible for future rounds.

Q17. In addition to the City of Dallas Small Business Continuity Fund, what other resources are available?

1. There are a number of state, federal, and philanthropic resources available to small businesses impacted by the COVID-19 pandemic.
 - a. The federal CARES Act created additional resources for businesses impacted by the COVID-19 pandemic, including: EIDL Loan Advance, Paycheck Protection Program (PPP) Loans, Express Bridge Loans, and SBA Debt Relief.
 - b. Additional resources are available on the Office of Economic Development website at <http://dallasecodev.org/562/COVID-19-Info-for-Small-Businesses>.

Q18. What is the source of funding for Continuity Fund grants?

1. Funds for the COVID-19 Small Business Continuity Fund were provided by Congress through the CARES Act to support COVID-19 relief federal Community Development Block Grant (CDBG) funding. Federal Community Development Block Grant is a type of federal funding with specific funding eligibility criteria, including a required benefit to persons with a low- to moderate- incomes (LMI) that necessarily shaped the requirements for our Continuity Fund awards.
2. While current funds are limited for this process, the City of Dallas urges HUD to quickly release the other two allocations of funding so that we may use any additional money we receive to provide more small business assistance.