



**City of Somerville, Massachusetts**

**Office of Strategic Planning and Community Development**

Joseph A. Curtatone

Mayor

**Somerville COVID-19 Business Emergency Relief Fund: Round 2**

**Program Guidelines**

The City of Somerville has established Round 2 of the COVID-19 Small Business Relief Fund with \$750,000 to support qualified and eligible Somerville businesses that have been negatively impacted by the Covid-19 crisis. There are two categories of assistance available:

<b>Category</b>	<b>Approximate Amount Available</b>	<b>Award Amount</b>	<b>Type of Award</b>
<b>General Assistance to Impacted Somerville Businesses</b>	\$605,400	Up to \$7,500	Forgivable Loan
<b>Targeted Assistance to Support Outdoor Dining</b>	\$84,000	Up to \$1,000	Forgivable Loan

Some businesses may qualify for both categories. All awardees must meet the requirements of the U.S. Department of Housing & Urban Development (HUD) Community Development Block Grant Program (CDBG) and the City of Somerville. Any funds left over in the category of Targeted Assistance to Support Outdoor Dining will be reallocated to the General Assistance to Impacted Somerville Businesses fund.

**HUD Community Development Block Grant (CDBG) Requirements**

Applicants for either category of assistance must comply with the requirements of the U.S. Department of Housing and Urban Development Community Development Block Grant program. Applicants must meet a HUD National Objective, *either* as a qualified microenterprise or as low/moderate income job creation/retention project:

- **Microenterprise**
  - Business must have five (5) or fewer full time equivalent employees, AND
  - Business owner must meet the household average median income requirements. Total household income for the business owner must be at or below 80% of the average median income to qualify for funding. Refer to the income limits on the Small Business Support Income Certification form on page 5.
  
- **Job Creation or Retention**
  - Applicants must commit to creating or retaining at least one (1) job. The job must be filled

by an individual who meets the household average median income requirement. Total household income for the individual must be at or below 80% of the average median income to qualify. Rehiring at least one position recently laid off due to COVID-19 related impacts or retaining a furloughed employee who meets income eligibility standards likely would allow an applicant to meet this requirement. Refer to the 2020 Employee Income Certification form on page 6 for employee income requirements.

Note: If your business has 5 or fewer full time equivalent employees AND you do not meet the household income requirement, or you are not in a position to hire or retain an employee who meets the HUD income eligibility criteria within 6 months of receiving a loan, you will not be eligible for a forgivable loan.

## **General Assistance to Impacted Somerville Businesses**

The City will make awards of up to \$7,500 by selecting eligible and qualified businesses by lottery. Awards will be made to reimburse for qualified expenses and be in the form of a forgivable loan. The loan will be forgiven once the City is able to confirm that the applicant has met all of the HUD CDBG requirements.

- **Eligible Businesses**
  - An applicant must be a Somerville-based business.
  - The business must have been operating in Somerville prior to October 1st 2019
  - The business must have lost at least 25% of revenues as a result of COVID-19-related impacts.
  - The business must operate out of a brick and mortar location or have had at least one (1) full time employee besides the owner at some point during 2019
    - Full time employee is considered one that works at least 30 hours per week.
    - Licensed home based daycares are eligible regardless of this requirement.
- **Businesses Not Eligible**
  - Business who received awards during Round 1 of the Somerville COVID-19 Business Emergency Relief Fund
  - Non-profit organizations
  - Sole proprietors without a brick & mortar location
  - Real estate development companies and real estate brokers
  - Businesses with past-due tax liabilities, tax lien that existed prior to Covid-19 or who have filed for bankruptcy.
  - Liquor and tobacco stores, cannabis stores, pawn shops, adult entertainment, and passive real estate investment businesses as they are ineligible to receive federal funding as this is prohibited by HUD
- **Eligible Uses of Funds**
  - Funds can be used for working capital expenses, including but not limited to rent or mortgage payments, payroll expenses including healthcare, inventory, and utility expenses.
- **Application Deadline: Monday November 30th at 3pm**
  - Applications received by the deadline will be reviewed to confirm program eligibility
- **Lottery Rules**

- The lottery will take place on December 4th at 10am and be streamed live via an on-line meeting platform. Details will be published closer to the deadline.
  - All qualified applicants will receive one chance at the lottery
  - Day care providers and businesses subject to the Phase 3 and Phase 4 of the Commonwealth's Reopening Plan will receive one additional chance at the lottery
  - Minority owned, women owned and veteran owned businesses will receive one additional chance at the lottery.
  - The maximum chances at the lottery for any business is three chances
- **Notification**
    - Successful applicants will receive a notice of award from the City of Somerville by email along with instructions on the next steps.
    - Unsuccessful applicants will also be notified by email.
- **Disbursement of Funds**
    - While the default loan award amount is \$7,500, the award amount is subject to proof of verifiable need. For example, if an applicant can only document one monthly commercial rent payment, then the award will equal the size of the commercial rent payment.

## **Targeted Assistance to Support Outdoor Dining**

The City will make awards of up to \$1,000 per eligible restaurant to reimburse the cost of qualified expenses related to outdoor dining mobilization. The goal of the program is to support and encourage safe dining experiences, especially as the season grows colder. This will be in the form of a forgivable loan. The loan will be forgiven once the City is able to confirm that the applicant has met all of the HUD CDBG requirements.

- **Eligible Businesses**
  - Somerville restaurants with an active outdoor dining permit along with an approved Health & Safety Plan
- **Eligible Uses of Funds**
  - Funds can be used for working capital expenses, including but not limited to rent or mortgage payments, the costs to mobilize outdoors during Covid-19 (heaters, outdoor furniture, etc.), payroll expenses including healthcare, inventory, and utility expenses.
- **Application Process & Notification**
  - The City of Somerville will reach out to each existing license holders by email or phone to begin the application process
  - For those that received funding in Round 1, the original loan agreement will be amended to reflect the additional award
  - All other existing outdoor seating licensees will need to confirm HUD eligibility prior to executing a loan agreement
- **Disbursement of Funds**
  - While the default loan award amount is \$1,000, the award amount is subject to proof of verifiable need. For example, if an applicant can only document one monthly commercial rent payment, then the award will equal the size of the commercial rent payment.

## Loan Forgiveness (All Categories)

The City must ensure that the applicant can prove that it was eligible for funding. Loans will be forgiven once the program requirements are satisfied.

- Forgiveness will take place for **microenterprise projects** once the City receives and confirms:
  - A signed microenterprise self certification form.
  - Proof of invoices, utility bills, lease agreements, or other working capital expenses.
  - Proof of payment in the form of a detailed credit card statement, bank statements, cancelled checks, or receipt of payment, for the entire loan amount used towards eligible expenses.
  
- Forgiveness will take place for **job creation projects** once the City receives and confirms:
  - A signed job agreement.
  - Payroll reports before issuance of loan and after loan is awarded (to confirm that a jobs was created or retained)
  - A signed self-certification form for the employee that fills the position created through the use of CDBG funds.
  - Proof of invoices, utility bills, lease agreements, or other working capital expenses.
  - Proof of payment in the form of a detailed credit card statement, bank statements, cancelled checks, or receipt of payment, for the entire loan amount used towards eligible expenses.

Until these conditions are met, the loan must be paid back.

If at any point it is revealed the applicant has provided misleading or incorrect information, the City reserves the right to disqualify the applicant and the application.

## Questions?

- **Ask questions by email:** Contact Nick Schonberger, Program Coordinator at [nschonberger@somervillema.gov](mailto:nschonberger@somervillema.gov) for more information, details or clarifications.

## Program Status

Funds are limited and the City reserves the right to discontinue or modify requirements and funding for the program. Note that filling out an application for the program does not imply that funding for the applicant is available or that the applicant is automatically approved. Funding must be approved by the City and a contract signed between the parties. Expenses incurred prior to March 27th, 2020 are not eligible expenses.

The City of Somerville has the right to reject the Emergency Relief Loan application or terminate any agreement if a participant is found to be in violation of any conditions set forth in these guidelines. OSPCD reserves the right to make adjustments regarding conditions and parameters outlined in these guidelines.

## City of Somerville's Small Business Support Certification Form FY2020

Name:

Date:

Telephone:

City/State:

Number of Full Time Employees (1.0 Full Time Equivalent):

Number of Part Time (.5 Full Time Equivalent):

Seasonal Employees:

Please take a look at the following chart, and let us know what your annual household income is:

INCOME LEVEL	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% Area Median Income	\$0 - \$26,850	\$0- \$30,700	\$0 - \$34,550	\$0- \$38,350	\$0- \$41,450	\$0- \$44,500	\$0- \$47,600	\$0- \$50,650
50% Area Median Income	\$26,851- \$44,800	\$30,701- \$51,200	\$34,551- \$57,600	\$38,351- \$63,950	\$41,451- \$69,100	\$44,501- \$74,200	\$47,601- \$79,300	\$50,651- \$84,450
80% Area Median Income	\$44,801,- \$67,400	\$51,201- \$77,000	\$57,601- \$86,650	\$63,951- \$96,250	\$69,101-\$1 03,950	\$74,201- \$111,650	\$79,301- \$119,350	\$84,451- \$127,050
Over Income	\$67,401 above	\$77,001 above	\$86,651 above	\$96,251 above	\$103,951 above	\$111,651 above	\$119,351 above	\$127,051 above

**Note:** This is a federally funded program, so the owner's household income must be at or below 80% of the average median income in Somerville.

**# of persons in household:**

**You are below the:**

**% Median Income Threshold**

**Please check the circle that identifies your race:**

- |   |   |
|---|---|
| <input type="radio"/> White   | <input type="radio"/> American Indian/ Alaskan Native         |
| <input type="radio"/> Black/African American                                    | <input type="radio"/> Native Hawaiian/ Other Pacific Islander |
| <input type="radio"/> Asian   | <input type="radio"/> Asian and White                         |
| <input type="radio"/> American Indian/Alaskan Native and Black/African American | <input type="radio"/> Black/ African American and White       |
|   | <input type="radio"/> Other                                   |

Are you Hispanic? (Circle One) Yes No

I certify, under the penalties of perjury, this income information is correct and I understand that the information I have provided on my family income is subject to verification by authorized representatives of the City of Somerville Office of Housing and Community Development, and the U.S Department of Housing and Urban Development. **This information will be kept confidential and used for HUD monitoring purposes.**

Your Name:

Your Signature:

(Please printed)

Date Signed:

**CITY OF SOMERVILLE ECONOMIC DEVELOPMENT COUNCIL, INC.  
2020 EMPLOYEE INCOME CERTIFICATION FORM**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Telephone: \_\_\_\_\_ Date: \_\_\_\_\_

The following information will be maintained by the employer and City of Somerville and used for statistical purposes only. Please be assured that this information is confidential and will not be released to any individual, group, or organization.

**Job Title:** \_\_\_\_\_ **Hired** \_\_\_\_\_ **Not Hired** \_\_\_\_\_  
**Date of Hire:** \_\_\_\_\_ **Full Time** \_\_\_\_\_ **Part Time (.25, .5, .75)** \_\_\_\_\_

Please **CIRCLE** under your family size, your gross annual household income.

INCOME LEVEL	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
<b>Extremely Low Income</b>	0 - 26,850	0- 30,700	0 - 34,550	0- 38,350	0- 41,450	0- 44,500	0- 47,600	0- 50,650
<b>Low Income</b>	26,851- 44,800	30,701- 51,200	34,551- 57,600	38,351- 63,950	41,451- 69,100	44,501- 74,200	47,601- 79,300	50,651- 84,450
<b>Moderate Income</b>	44,801,- 67,400	51,201- 77,000	57,601- 86,650	63,951- 96,250	69,101- 103,950	74,201- 111,650	79,301- 119,350	84,451- 127,050
<b>Over Income</b>	67,401 above	77,001 above	86,651 above	96,251 above	103,951 above	111,651 above	119,351 above	127,051 above

**1) Please Check the Box that identifies your race:**

Single Race:

- White
- Black/African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian/Other Pacific Islander
- Other

Multi-Racial Identifiers:

- American Indian/Alaskan Native **and** White
- Asian **and** White
- Black/African American **and** White
- American Indian/Alaskan Native **and** African/American
- Other Multi-Racial

**2) Please answer these questions:**

- Do you consider yourself as being of Hispanic ethnicity?  Yes  No
- What sex are you?  Female  Male
- Do you have a disability that is a substantial handicap?  Yes  No
- Are you a female head of household?  Yes  No
- Do you receive company health insurance?  Yes  No

I certify, under the penalties of perjury, this income information is correct and I understand that the information I have provided on my family income is subject to verification by authorized representatives of the City of Somerville Office of Housing and Community Development, and the U.S. Department of Housing and Urban Development. **This information will be kept confidential and used for HUD monitoring purposes only.**

Your Name \_\_\_\_\_ Your Signature: **X** \_\_\_\_\_  
 (Please print)

Date Signed: \_\_\_\_\_

**TO BE COMPLETED BY THE BUSINESS** Please enter DUNS # and indicate job category for which this employee or applicant is being considered:

- Officials or Managers  Professional  Technicians  Sales  Office or Clerical
- Craft Worker (skilled)  Operatives (semi-skilled)  Laborers (unskilled)  Service Workers

DUNS # \_\_\_\_\_