



**SMALL BUSINESS STABILIZATION PROGRAM  
POLICIES & PROCEDURES**

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT  
COMMUNITY DEVELOPMENT DIVISION

Updated November 6, 2020

# CONTENTS

I.	INTRODUCTION.....	3
II.	PROGRAM FRAMEWORK .....	4
1.	PROGRAM OBJECTIVE .....	4
2.	ELIGIBILITY AND TERMS .....	4
a.	Eligibility Criteria .....	4
b.	Contingency of Award .....	5
c.	Ineligible Applicants .....	6
d.	Eligible Use of Funds.....	6
e.	Ineligible Use of Funds.....	6
f.	Terms.....	7
III.	AWARD AND PROGRAM PROCESS.....	8
1.	APPLICATION.....	8
2.	APPLICATION REVIEW .....	8
3.	AWARD.....	8
4.	REIMBURSEMENT .....	9
5.	GRANT CLOSEOUT.....	9
IV.	MISCELLANEOUS PROGRAM INFORMATION.....	10
1.	CDBG PROGRAM COMPLIANCE .....	10
1.	PROGRAM MARKETING AND OUTREACH .....	10
2.	EQUAL OPPORTUNITY COMPLIANCE .....	10
2.	APPLICANT CONFIDENTIALITY .....	10
3.	DISPUTE RESOLUTION/APPEALS PROCEDURE .....	10
4.	EXCEPTIONS / SPECIAL CIRCUMSTANCES .....	11
V.	EXHIBIT A – HUD LOW/MOD HOUSEHOLD INCOME THRESHOLDS.....	12
VI.	EXHIBIT B – HELPFUL LINKS.....	13
VII.	EXHIBIT C – UNDERWRITING CRITERIA.....	14
VIII.	EXHIBIT D – ADAMS COUNTY CONTACTS .....	18

## I. INTRODUCTION

In response to the economic hardships experienced by small businesses from the COVID-19 pandemic, Adams County Community and Economic Development is launching the Small Business Stabilization Program (SBSP) to retain jobs and stabilize local businesses. This program will use U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding for the objective of aiding Adams County businesses to retain or create jobs for low-to-moderate income persons.

SBSP provides a grant assistance to eligible businesses that have taken financial losses as a result of public health orders for social distancing in response to the COVID-19 outbreak. Applicants may apply to pay for the greater amount of either:

- Two (2) months of salaries or wages (not including benefits) for one (1) FTE qualified low-to moderate income employee; and two (2) months of workspace rent or mortgage costs; or,
- Two (2) months of salaries or wages (not including benefits) for two (2) FTE qualified low-to moderate-income employees.

As a result of the grant, the business must agree to retain one or more low- to moderate income staff for the agreement term of two (2) months. The business must have no more than fifty (50) full-time equivalent (FTE) employees at the time of application.

Grants provided will be up to a maximum of \$35,000 per business, however, the award is dependent on the demonstrated need.

## II. PROGRAM FRAMEWORK

### 1. PROGRAM OBJECTIVE

Applicants may apply to pay for either: Two (2) months of salaries or wages (not including benefits) for one (1) FTE qualified low- to moderate income employee and two (2) months of workspace rent or mortgage costs; OR, two (2) months of salaries or wages (not including benefits) for two (2) FTE qualified low- to moderate-income employees.

Overall, the program objective is to retain or create jobs affected by the COVID-19 pandemic. The applicant must commit to retaining employees or creating jobs. The positions retained or created must be held by employees who are a member of a low-/moderate-income household (under 80% Area Median Income [AMI]) for the Denver-Aurora-Lakewood CO MSA, available in **Exhibit A – HUD Low/Mod Household Income Thresholds.**

For the purpose of the program, job retention means that if the proposed grant is not awarded, the position will need to be eliminated. Job creation is defined as the position was already eliminated as a result of public health orders and the grant will allow for the business to bring the employee back to work.

### 2. ELIGIBILITY AND TERMS

Eligible businesses will be evaluated based on the eligibility criteria and the order in which completed applications are received. Eligible businesses will be awarded a grant based on the need of the business; however, awards will be a minimum of \$1,000 and up to \$35,000 in grant funds. Applicants who have completed the program but can show a demonstrated need for additional funding may reapply to the program, but can only receive up to the aggregated maximum of \$35,000 in grant funds.

#### a. Eligibility Criteria

The following requirements must be met:

- The business must have 1-50 full-time equivalent (FTE) employees, excluding owners, as of February 12, 2019.
- The business must be a for-profit business or organization and have a physical establishment within an eligible CDBG Urban County area or other participating jurisdiction, which includes:
  - Unincorporated Adams County;
  - Town of Bennett;
  - City of Brighton;
  - City of Federal Heights; or,
  - City of Northglenn; or,
  - City of Westminster.

- Businesses with more than one physical location in the areas listed above may apply for the grant program for one location only. For purposes of estimating FTEs, the FTE count shall be based only on the specific location applying for the grant.
- The applicant must be at least 18 years of age and have ownership interest in the business.
- The applicant must have a valid Social Security number, an Employer Identification Number (EIN), and bank account that accepts wire transfers.
- The applicant cannot be debarred from receiving federal funding.
- The applicant, business owners, or business must not currently be in bankruptcy.
- The applicant must prove that the business has experienced a loss of revenue due to Public Health Orders enacted for COVID-19.
- The applicant must demonstrate how the grant will pay for rent/mortgage or salaries and benefits for low-to-moderate income employees.
- As a result of the grant, the applicant must demonstrate how the grant will create or retain job(s) for low-to-moderate income individuals or families. Specifically, at least one FTE job (1,750 hours annually) must be created/retained.
- The business must prove they have been in operation since February 12, 2019 and must possess an active local business license and/or business certification from the office of the Colorado Secretary of State.
- The business must be in good standing for any permits or licenses issued by their respective jurisdictions.
- The applicant must be able to demonstrate the business was unable to obtain other forms of assistance or did not receive enough assistance (i.e., Small Business Assistance, Paycheck Protection Program, and other small business loans/grants).
- The applicant or any other business owners must not have a conflict of interest in accordance with the Adams County Code of Ethics policy, available at <http://www.adcogov.org/sites/default/files/Code-of-Ethics-v201807.pdf>.
- Owner/Applicant must be current with property taxes and local Adams County and/or city fees, or has a payment plan in place with County and/or City as of March 12, 2020.
- Business must have active liability insurance.

#### **b. Contingency of Award**

- The applicant must obtain a Data Universal Numbering System (DUNS) number.
  - **Exhibit B – Helpful Resources**
- The applicant must register in Department of Labor’s System for Award Management (SAM) system (SAM.gov) and cannot be debarred from receiving federal funding.
  - **Exhibit B – Helpful Resources**
- Businesses will be evaluated based on the Eligibility Criteria. Further, grant awards are contingent on underwriting review by Adams County staff pursuant to 24 CFR 570.209(a). Policies relating to Underwriting can be found in **Exhibit C –Underwriting Criteria**.
- Eligible businesses will be awarded a grant based on the demonstrated payroll or rent/mortgage needs of the business; however, awards will be a minimum of \$1,000 and up to \$35,000 in grant funds.

- The applicant must agree to the terms and conditions of the grant through a written agreement. The agreement must be signed by an individual who has signatory authority on behalf of the business.
- Home-based businesses cannot receive funding for rent or mortgage assistance.

**c. Ineligible Applicants**

An ineligible existing business applicant is one that has a physical business location outside of the Adams County CDBG Urban County or other participating jurisdiction’s boundaries, defined above.

Due to Federal requirements, non-profit organizations are not eligible businesses and will not be considered for funding.

Other ineligible businesses include payday grant businesses, liquor and tobacco stores, marijuana stores and establishments, pawn shops, firearm or other weapons dealers, adult entertainment, passive real estate investments, home-based businesses operating without appropriate zoning and/or permits and licenses, or any businesses operating without appropriate zoning and/or permits and licenses.

**d. Eligible Use of Funds**

The Adams County will review the proposed use of the funds and supporting documentation submitted in the application. Grants are restricted to certain eligible costs, specifically those related to rent payments, mortgage payments, or staff salaries.

Applicants may apply to pay for either: Two (2) months of salaries or wages (not including benefits) for one (1) FTE qualified low- to moderate income employee and two (2) months of workspace rent or mortgage costs; OR, two (2) months of salaries or wages (not including benefits) for two (2) FTE qualified low- to moderate-income employees.

**e. Ineligible Use of Funds**

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds may not be used for the following, but are not limited to:

- Reimburse expenses incurred prior to approval of grant.
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business.
- Purchase personal expenses such as buying a new family car or making repairs to a participant’s home.
- Direct financing to political activities or paying off taxes and fines.
- Purchase personal items.
- Support other businesses in which the borrower may have an interest.
- Physical improvements to the business.
- Purchase of goods or equipment for the business.
- Acquisition of property.
- Reimbursement for services.

Further, CDBG funding used for economic development must meet Public Benefit Standards. HUD has determined that certain economic development activities by their nature fail to provide sufficient public benefit. They are:

- An activity in which the grant recipient promotes the community as a whole (as opposed to promotion of specific areas and programs).
- Assistance to a professional sports team.
- Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to be derived by users or members clearly outweighs the employment or other benefits to low-to-moderate income persons.
- Acquisition of land for which the specific proposed use has not yet been identified.
- Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided to the business.

Therefore, any activity subject to the Public Benefit Standards that falls into any of the above descriptions may not be assisted with CDBG funds regardless of any other aspect of the activity.

#### **f. Terms**

Financial assistance from the program is designed to keep businesses operational and retain jobs. Terms and conditions are determined by the materials submitted in the application.

Eligible applicants must agree to the following terms:

- The funding is in the form of a grant.
- Business must be able to provide evidence (in the form of payroll records and/or mortgage or rent expenses) to Adams County to demonstrate how job(s) will be retained or created for at least two (2) months. If the terms are not met, funds must be repaid to Adams County.
- The applicant must agree to the terms and conditions of the grant through a written agreement. The agreement must be signed by an individual who has signatory authority on behalf of the business.
- The grant is disbursed on a monthly basis, over the course of the term of the agreement.
- The applicant must submit monthly grant draw requests with the required reports through Adams County's Neighborly grant portal.
- The applicant must agree to retain/create at least one job for a low-to-moderate income individual through the term of the agreement. The amount of jobs to be retained/created will be established in the applicant's agreement. This information must be certified by the employee and be submitted to Adams County on a monthly basis.
- The applicant must agree to provide Adams County with certain income and demographic data from applicants and their employees.
- Adams County must be allowed to collect 3rd party documentation such as financial information that demonstrates the potential business closure or layoffs.

### **III. AWARD AND PROGRAM PROCESS**

#### **1. APPLICATION**

Applications will be open beginning on May 4, 2020 through Adams County's Neighborly grant portal.

#### **2. APPLICATION REVIEW**

Applications to the program are reviewed on a first come, first served basis until all initial funding is exhausted.

Adams County must confirm, through underwriting, that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the CDBG funds. As such, grant applicants for the program are required to demonstrate management capacity and ability to successfully operate a business through their applications.

Adams County staff will review the submitted applications within fourteen (14) calendar days of receipt of the completed. The application will be reviewed based on the Eligibility Criteria, *Section II. 2(a), Eligibility Criteria* and HUD's required underwriting standards, **Exhibit B – Underwriting Criteria**. HUD underwriting standards are defined at 24 CFR 570.209(a).

If the application is considered materially incomplete by Adams County, it reserves the right to consider the application incomplete. It is in the best interest of the business owner to complete the application as it is requested to be evaluated and considered for grant award. If the application is considered mostly complete and only requires minor revisions, Adams County will work with the business owner through E-Mail and request the missing documents. The applicant will have three (3) calendar days to respond with the proper documentation.

If the applicant is not eligible for funding, Adams County will email an official denial letter and the reason for denial.

Applicants who have completed the program but can show a demonstrated need for additional funding may reapply to the program, but can only receive up to the aggregated maximum of \$35,000 in grant funds.

#### **3. AWARD**

After determining eligibility and award amount, Adams County staff will contact the applicant via email. Adams County will send an official award determination, welcome packet, and agreement for signature. If the applicant wishes to proceed with the program, the applicant must return a signed agreement via email and mail within ten (10) calendar days of the date of the email. If the applicant does not respond within ten (10) calendar days, the Adams County will assume the applicant does not wish to participate in the SBSP and that specific award amount will be reallocated to another successful applicant.

The Director of Community and Economic Development is authorized by Resolution to sign agreements to carry out the program. A fully executed agreement will be emailed to the



applicant. Upon receipt of the fully executed agreement, the business may proceed with requesting the first reimbursement request.

#### **4. REIMBURSEMENT**

Reimbursement terms and conditions are outlined in individual agreements with the applicant and Adams County.

Generally, funds will be disbursed upon request from the business applicant. The first draw will be allowed immediately following receipt of the fully executed agreement. Thereafter, draws will be allowed once monthly over the term of the agreement. The applicant must submit grant draws through the Neighborly grant portal and provide required documentation of eligible project expenses as outlined in the agreement (i.e., rent/mortgage expenses and/or salary expenses for the low-to-moderate income staff).

CDBG funds will only be disbursed for reimbursement to the applicant for documented eligible project expenses. If the applicant is unable to provide the required documentation, Adams County reserves the right to rescind the grant at any time.

Upon receipt of an eligible draw request, Adams County staff will follow its internal financial policies and procedures to pay the applicant through the Finance Department. The applicant will receive a check or ACH payment. After successful disbursement, Community Development staff will request reimbursement from HUD through the Integrated Disbursement and Information System (IDIS).

#### **5. GRANT CLOSEOUT**

Upon successful completion of agreement term, Adams County staff will close out the grant in the Neighborly grant portal and report accomplishments to HUD through IDIS.

The applicant will be notified when the grant has been successfully closed out. At this point, no further funds will be available to the applicant and the applicant will no longer supply Adams County with necessary documentation.

## **IV. MISCELLANEOUS PROGRAM INFORMATION**

### **1. CDBG PROGRAM COMPLIANCE**

Adams County will follow all CDBG compliance requirements set forth at 24 CFR Part 570, including but not limited to reporting on program specific outcomes and demographic information.

### **1. PROGRAM MARKETING AND OUTREACH**

Program marketing will be conducted by Adams County Communications Department and stakeholders. Examples of marketing might include media coverage with ads in local papers or distribution of marketing brochures to local chamber of commerce and business networking organizations.

### **2. EQUAL OPPORTUNITY COMPLIANCE**

The program will be implemented in ways consistent with Adams County's commitment to State and Federal equal opportunity laws. No person or business 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 his or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

### **2. APPLICANT CONFIDENTIALITY**

All personal and business financial information will be kept confidential to the extent permitted by law. Participant files with personal and business confidential information will be kept digitally in accordance with Adams County Information Technology and Innovation's Information Security Policies & Standards.

### **3. DISPUTE RESOLUTION/APPEALS PROCEDURE**

Applicants whose applications are not selected or not deemed eligible have the right to appeal limited to procedural errors in the selection process. Appeals must be submitted within seven (7) days of the date of receipt of the official denial letter. Appeals are to be submitted to Adams County Development Division Manager. Contact information is outlined in **Exhibit D – Adams County Contacts**.

The appeal must state all facts and arguments upon which the appeal is based. The Manager, or the appointed designee, will review the content of the program's Policies & Procedures, the applicant's application, and the facts which form the basis for the appeal. The Manager, or the appointed designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

If no such procedural errors are found to have occurred, the decision of Adams County staff shall be final.

#### **4. EXCEPTIONS / SPECIAL CIRCUMSTANCES**

Adams County reserves the right, at its sole discretion, to deviate from the Policies & Procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from these Policies & Procedures.

**V. EXHIBIT A – HUD LOW/MOD HOUSEHOLD INCOME THRESHOLDS**

The income thresholds below are established by HUD on an annual basis. The incomes are based on 80% of the Denver-Aurora-Lakewood Metropolitan Statistical Area's median family income of \$100,000. Eligible employees must fall into the salary ranges below and may not exceed the income limit based on their household size.

<b>Family Size</b>	<b>Income Limit</b>
1	\$54,950
2	\$62,800
3	\$70,650
4	\$78,500
5	\$84,800
6	\$91,100
7	\$97,350
8	\$103,6500

## **VI. EXHIBIT B – HELPFUL LINKS**

### **Adams County Community & Economic Development**

<http://www.adcogov.org/CED>

### **Adams County Community Development Division**

<http://www.adcogov.org/community-development>

### **Adams County Small Business Stabilization Program**

<http://www.adcogov.org/sbsp>

### **Federal EIN**

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

### **Adams County's COVID-19 Response & Recovery Resource Page**

<http://adamscountycovid19.org/>

### **Dun & Bradstreet DUNS Number**

<https://www.dnb.com/duns-number/get-a-duns.html>

### **SAM and CAGE Code Registration**

<https://www.sam.gov/SAM/>

### **US Department of Housing and Urban Development**

<https://www.hud.gov/>

**VII. EXHIBIT C – UNDERWRITING CRITERIA**

**Adams County Small Business Stabilization Program (SBSP)  
Underwriting Analysis**

Per 24 CFR Part 570.209(a) and Adams County Eligibility Criteria

<b>Applicant Name:</b>	
<b>Business Name:</b>	
<b>Business Address:</b>	
<b>Neighboring Case ID:</b>	
<b>Reviewer:</b>	

**Grant Requests**

*Check all that apply:*

- |  |  |
|--|--|
| <input type="checkbox"/> Job Retention | <input type="checkbox"/> Rent/Mortgage |
| <input type="checkbox"/> Job Creation  | <input type="checkbox"/> Salaries      |

**Final Grant Approval**

- |                                  |
|----------------------------------|
| <input type="checkbox"/> Approve |
| <input type="checkbox"/> Deny    |

**Justification of Approval/Denial**

**Adams County Eligibility Criteria**

***General Criteria (all answers must be yes to qualify, unless otherwise noted)***

Did the applicant provide all required application documentation?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

Does the business have 1-50 full-time equivalent (FTE) employees, as of February 12, 2019?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

Does the business have a physical establishment within an eligible CDBG Urban County area in Unincorporated Adams County; Town of Bennett; City of Brighton; City of Federal Heights; or City of Northglenn?

Yes  No

Is the applicant at least 18 years of age and have ownership interest in the business?

Yes  No

Does the applicant have a valid Social Security number and Employer Identification Number (EIN)?

Yes  No

Did the applicant experience a loss of revenue due to Public Health Orders enacted for COVID-19?

Yes  No

Has the business been in operation since February 12, 2019?

Yes  No

Does the business possess an active local business license and/or business certification from the office of the Colorado Secretary of State?

Yes  No

Is the business in good standing with the Colorado Secretary of State?

Yes  No

Is the applicant current with property taxes and local Adams County and/or city fees, or has a payment plan in place with County and/or City as of March 12, 2020?

Yes  No

Is does the business have active liability insurance?

Yes  No

Does the business have a Data Universal Numbering System (DUNS) number? If not, it must register upon grant award.

Yes  No

Is the applicant registered in Department of Labor's System for Award Management (SAM) system (SAM.gov)? If not, it must register upon grant award.

Yes  No

Did the applicant demonstrate how the grant will pay for rent/mortgage or salaries for low-to-moderate income employees?

Yes  No

Did the applicant demonstrate it was unable to obtain other forms of assistance or did not receive enough assistance (i.e., Small Business Assistance, Paycheck Protection Program, and other small business loans/grants)?

Yes  No

Is the business in good standing for any permits or licenses issued by their respective jurisdictions?

Yes  No

***Capacity Criteria (all answers must be no to qualify)***

Is the applicant debarred from receiving federal funding? Attach SAM.gov debarment check.

Yes  No

Is the applicant, any business owner, or business itself currently in bankruptcy?

Yes  No

**HUD Eligibility Criteria**

Does the business qualify as any of the following? ***(If so, the business is not eligible.)***

Non-profit organization

Payday grant businesses; liquor and tobacco stores; marijuana stores and establishments; pawn shops; firearm or other weapons dealers; adult entertainment; passive real estate investments; or professional sports team.

Home-based businesses operating without appropriate zoning and/or permits and licenses; or any businesses operating without appropriate zoning and/or permits and licenses.

Privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to be derived by users or members clearly outweighs the employment or other benefits to low-to-moderate income persons.

Business or owner that is subject to unresolved findings of noncompliance relating to previous CDBG assistance provided to the business.



**HUD Required Underwriting Analysis**

***Reasonableness of project costs***

Is the requested grant appropriate to the demonstrated need?

Yes  No

If not, what grant amount is appropriate and why?

***Commitment of Financing Needed***

This is not a capital project; financing is being provided to assist business to remain viable for the agreement period. The County will maintain contact with the business and coordinate /refer businesses to additional assistance as needed.

***Use of CDBG Funds as a Substitute for Non-Federal Funding***

Did the applicant sign the affidavit regarding exhausting all funding options in the application?

Yes  No

***Financial Feasibility***

This funding is projected to assist the business for four (4) months and is feasible for that period.

***Return on Equity***

Adams County does not anticipate these funds will result in profit. Adams County will monitor expenses of the rent/mortgage and payroll over the agreement term.

***Disbursement of CDBG funds***

The County plans to disburse funds in installments after securing an executed agreement between Adams County and the business owner. Installments are based on the established agreement and policies and procedures of the program.

## **VIII. EXHIBIT D – ADAMS COUNTY CONTACTS**

### **Community Development Manager (Primary SBSP Contact)**

Melissa Scheere

[mscheere@adcogov.org](mailto:mscheere@adcogov.org)

720.523.6210

### **Sr. Community Development Coordinator (Secondary SBSP Contact)**

Ric Reed

[rreed@adcogov.org](mailto:rreed@adcogov.org)

720.523.6203

### **Director of Community and Economic Development**

Jill Jennings Golich

[jjenningsgolich@adcogov.org](mailto:jjenningsgolich@adcogov.org)

720.523.6819

### **Deputy Director of Community and Economic Development, Director of Economic Development**

Ryan M. Nalty

[rnalty@adcogov.org](mailto:rnalty@adcogov.org)

720.523.6842