Town of Clarksville
CDBG COVID-19 Immediate Response
Small Business Assistance Grant Program

PURPOSE

The Town of Clarksville will invest up to $250,000 through an Indiana Office of Community and Rural Affairs Community Development Block Grant (CDBG) program funded by the US Department of Housing and Urban Development (HUD). This program will support qualifying local businesses in the Town of Clarksville that have been impacted by the COVID-19 pandemic. Funds under this program are limited and it is the Town's intent to focus these resources effectively to support local businesses that retain the employment of Clarksville citizens.

The following requirements, selection criteria and procedures will be adhered to during the grant selection and disbursement process.

FUNDING REGULATIONS

Businesses will be classified into two groups to ultimately determine eligibility for the program:

1. Microenterprise – Businesses with five (5) or fewer employees in which one or more of the employees are an owner. Independent contractors are also included in this group.
2. Non-Microenterprise – Business with more than five (5) employees. Or a business of less than five (5) employees, none of which are owners of the business.

Only full-time employees count toward the number of employees, regardless of the size of the business.

The use of CDBG grant funding is governed by federal regulations, which state that funds must primarily benefit individuals of low and moderate income (LMI). The Town of Clarksville will require each applicant to provide intake documents to certify eligibility. The Town will balance the grant portfolio as necessary to ensure compliance with the CDBG LMI requirements for those non-Microenterprise businesses.

Microenterprises can qualify if the owner is LMI or at least 51% of the employees are LMI. The Microenterprise applications cannot be included in the LMI reporting aggregate, so each Microenterprise must meet the LMI criteria individually to qualify for grant consideration.

The business, no matter what category, must also certify that the jobs being retained with CDBG grant funding would be lost without assistance from the grant program. This certification can be in the form of a letter from the applicant addressed to the Town of Clarksville Small Business Selection Committee.

ELIGIBILITY REQUIREMENTS

In addition to the above CDBG regulation requirements, businesses meeting **ALL** of the following criteria shall qualify for grant award consideration:

- Must have a business physically located within the Town limits of Clarksville, Indiana
- Must be a for-profit business – the following business types **are specifically ineligible** for assistance:
    - Nonprofit organizations
    - Businesses deemed ineligible by the US Department of Housing and Urban Development (HUD) or the Town of Clarksville

- Must be structured as a sole proprietorship, partnership, corporation, S corporation (S subchapter) or limited liability company (LLC). Individuals who are self-employed or independent contractors are also eligible to apply

- Must have been in operation on or before March 1, 2020, and must currently be in compliance with any state or local regulations or requirements

- Must qualify as a small-business (under 500 employees)

- Eligible businesses can include essential and non-essential businesses so long as the business is continuing to pay employees, provide health insurance, or is willing to certify that previously furloughed/terminated employees will be rehired with the proceeds of this grant or other supplemental federally-funded grant or loan programs . Applicant must guarantee to rehire and/or maintain at least 75% of their pre-pandemic March 1, 2o2o workforce.

- Multiple applications/applicants cannot simultaneously compete for funding for the same property parcel or address

GRANTMAKING

Businesses meeting the requirements above shall be considered eligible for a maximum grant award of $50,000.00.

Grant funds may only be used by awardees for working capital expenses that include, but are not necessarily limited to, employee salaries, general operating expenses (rent or utilities), inventory, and advertising/marketing expenses.

The Town will try to fund as many qualified applicants as possible. Should funding become limited, the following criteria will be utilized to prioritize applications:

- The number of full-time jobs retained as of the date of the application, as well as the number of full-time jobs that are planned to be rehired due to the assistance from the Town

- The degree to which businesses have been impacted due to being considered "non-essential" and have lost their sources of revenue
    - Applicants should provide a description of how their business has been impacted within their application and have additional documentation available upon request

- The degree to which businesses primarily provide public-facing retail or public-facing services and have lost their sources of revenue
    - Applicants should provide a description of how their business has been impacted within their application and have additional documentation available upon request

- The degree to which the business has been directly impacted by new public health requirements (social distancing) related to the COVID-19 pandemic
    - Applicants should provide a description of how their business has been impacted within their application and have additional documentation available upon request such as profit/loss statements to support such claims.

- The level of participation by the business in other federally funded programs such as the Payroll Protection Plan and/or Small Business Administration's Economic Disaster Injury Grant and Loan Programs

- Businesses that employ at least 51% low and moderate income persons

HOW TO APPLY

Business owners may obtain a copy of the application documents on the Town of Clarksville's website www.townofclarksville.com. The applications can also be requested in person at Clarksville Town Hall.

Applications can be returned to the Town Hall to the attention of Redevelopment Staff, Nic Langford, 2000 Broadway, suite 208, Clarksville, IN 47129. Incomplete applications will not be considered.

SELECTION and DISBURSEMENT PROCESS

Businesses can apply via the process outlined previously. Applicants will be required to submit evidence, testimony or documentation supporting their case regarding the impact of COVID-19 on their business.

During the application process, businesses will be asked to provide demographic information including family size, household income, gender, race, and ethnicity of owners and employees to satisfy federal CDBG reporting requirements. These are reporting requirements for all CDBG funds, businesses that do not wish to provide demographic information will not qualify.

The Town will utilize a review committee, as designated by the Town Council. The review committee will prioritize the applications using the categories previously listed. The review committee will then provide a list of recommended recipients to the Town Council for final approval. The Town will fund as many qualified applicants as possible, as funding allows. Recommended grantees will be required to enter into a grant agreement with the Town.

Once a grant agreement is approved, 100% of funds will be disbursed to recipients.

Grantees should be aware that the Town is required to follow up with them on an annual basis. This follow up will include the status of each business, the change in

the number of jobs, and any additional information as requested by the State of Indiana.

The Town reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the Town's best interest to do so. The Town further reserves the right to establish the amount of grant funds awarded; raise the individual grant ceilings; and to award funds to other applicant(s) should funds become available due to de-obligation, etc.