



CITY OF SEASIDE
Microenterprise Development Grant
Program Guidelines

Program funded by the
Community Development Block Grant (CDBG)

Community Development Department
656 Broadway Ave, Seaside, CA 93955
(831) 899-6726 | hnoori@ci.seaside.ca.us

April 2021

Table of Contents

PROGRAM OVERVIEW	3
PROGRAM ADMINISTRATION	3
PROGRAM ELIGIBILITY AND REQUIREMENTS	3
ELIGIBLE USES OF FUNDS.....	4
INELIGIBLE USES OF FUNDS	4
INELIGIBLE PROGRAM PARTICIPANTS	5
APPLICATION/DOCUMENTATION REQUIREMENTS.....	5
APPLICATION PERIOD AND REVIEW PROCESS	6
NOTICE OF GRANT AWARD OR DENIAL	6
POST GRANT FOLLOW UP	6
PROGRAM COMPLAINT AND APPEAL PROCESS.....	7
GRANT APPLICANT CONFIDENTIALITY	7
EQUAL OPPORTUNITY COMPLIANCE.....	7
CONFLICT OF INTEREST REQUIREMENT	7
CITY RESERVED RIGHTS	7
CONTACT INFORMATION	8

APPENDICES

APPENDIX A – 2020 ANNUAL INCOME LIMITS

APPENDIX B – QUALIFIED CENSUS TRACT 137

PROGRAM OVERVIEW

The City of Seaside's Microenterprise Development Grant Program, which is funded by the Community Development Block Grant (CDBG), provides one-time financial assistance (up to \$5,000) to income-qualified start-ups, existing small businesses, and entrepreneurs who aspire to create a new business in the City of Seaside. The primary goal of this program is to create economic benefit and self-sufficiency through increased revenues, creation and/or retention of jobs and capacity building.

PROGRAM ADMINISTRATION

The City of Seaside's Economic Development Division staff will serve as the primary contact for implementation of the program guidelines. The city will:

- Market the program;
- Accept and process applications;
- Ensure businesses meet eligibility requirements;
- Recommend approval of grants;
- Ensure disbursement of grant funds; and
- Maintain grant files and fiscal records.

PROGRAM ELIGIBILITY AND REQUIREMENTS

All participants of the Seaside Microenterprise Development Grant Program must meet the following requirements:

- 1) Business must be a for-profit commercial microenterprise with five or fewer employees, one or more of whom owns the enterprise
- 2) Business must meet at least one of the following HUD-required low- and moderate-income (LMI) criteria (Exhibit A):
 - a. The business owner's current household income is at or below 80% of the Monterey County median income, adjusted for household size; OR
 - b. The business employs or retains employees where 51% of the total employees are LMI; OR
 - c. The business is located within Qualified Census Tract 137 (Exhibit B).
- 3) Business/owner must have a business plan and demonstrated financial need
- 4) The business must be in good standing with the City, i.e. current business license
- 5) The business must be located and operating within the City of Seaside
- 6) The business/owner has not received financial assistance for the same purpose from any other source including federal, state or county governments

- 7) The business/owner has no outstanding liens
- 8) The business/owner has not been suspended or debarred from contracting with the federal government or receiving federal grants or loans
- 9) If deemed necessary by the City, business/owner must be willing to receive free training, technical assistance, advice, or other services through Cal Coastal Small Business Development Center (Cal Coastal SBDC)
- 10) Business/owner must be willing to participate in any post-award reporting to the City to document the success of the business

ELIGIBLE USES OF FUNDS

Eligible uses of funds under this program include the following:

- Rent/lease/mortgage payments
- Utilities
- Payroll
- Inventory

Applicants will fill out a use of funds form that will breakdown how the funds will be spent within their business. Each applicant will need to sign and verify that the use of funds will be spent on business expenses, such as those expressed above. Any use of funding other than that to support the business as outlined above is strictly prohibited. The business will be responsible for reimbursing the program for any expenses found to not be in compliance with the program's eligible activities.

INELIGIBLE USES OF FUNDS

- Repairs or maintenance costs
- Property taxes past, present or future
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business
- Any personal expenses, taxes, fines or penalties
- Funding any political activities
- Purchasing of business equipment
- Damages covered by insurance
- Expenses that have been or will be reimbursed under any other federal, state, or county programs
- Reimbursement to donors for donated items or services
- Workforce bonuses other than hazard pay or overtime
- Severance pay
- Legal settlements

INELIGIBLE PROGRAM PARTICIPANTS

The following types of businesses are not eligible for program assistance:

- Business is outside of the City of Seaside
- Nonprofit organizations
- Payday cash advance businesses
- Liquor or tobacco stores
- Pawn Shops
- Firearm or other weapon dealers
- Adult entertainment
- Passive real estate investment offices
- Home-based businesses
- Cannabis businesses
- Faith-based organizations

APPLICATION/DOCUMENTATION REQUIREMENTS

The following documents must be submitted for consideration:

1. Complete Seaside Microenterprise Development Grant application
2. Employee self-certifications of household income, if qualifying employees as low/moderate income, or Business owner self-certification of household income, if qualifying as low/moderate business owner
3. Business Plan (visit the U.S. Small Business Administration [website](#) for more information)
4. Valid City of Seaside Business License
5. Valid California Driver's License or identification card
6. Signed Lease or Rental Agreement
7. List of employees currently on payroll (full and part time, including owner)
8. Payroll register
9. Documentation to support low- and moderate-income status
10. An Employer Identification Number (EIN, Federal Tax ID Number)
11. Dun & Bradstreet Number (DUNS Number)
12. Documentation supporting proposed use of grant funds

Additional documentation may be required to verify eligibility if required by the City after reviewing the documents listed above. Additional documents may include, but are not limited to:

1. Bank statements
2. Personal Federal and State Tax Returns
3. Forms DE9 – EDD Quarterly Contribution Return and Report of Wages for the quarters
4. Completed IRS 4506-T for business owner and employees to verify submitted federal income tax returns

Although selection is not guaranteed, businesses should begin to collect the required documentation in order to expedite the approval process in the event they are selected.

APPLICATION PERIOD AND REVIEW PROCESS

The City will accept applications beginning May 13, 2021 at 9 a.m. through May 28, 2021 at 5 p.m.

The City, in partnership with the Cal Coastal Small Business Development Center (Cal Coastal SBDC), will host a Zoom webinar on “How to Write a Business Plan” on May 12, 2021, at 3:30pm. The Webinar will be recorded and available on-demand. All applicants must attend/watch this webinar, obtain a certificate of completion and submit with their application packet.

Applications may be submitted via email to hnoori@ci.seaside.ca.us or hand delivered to the Community Development Department located at 656 Broadway Ave, Seaside, CA 93955 during business hours. Application packets may also be mailed to City Hall, 440 Harcourt Ave, Seaside, CA 93955. Envelopes must be sealed and labeled “Microenterprise Development Grant Application”.

All applications will be date and time stamped as they are received. Applications will be evaluated for completeness. Incomplete applications will not be accepted and will be returned.

Telephone assistance with the application will be available during the application period by calling (831) 899-6726, Monday through Friday, from 8 a.m. to 5 p.m. In person assistance may also be provided on a case by case basis and upon request by an applicant.

NOTICE OF GRANT AWARD OR DENIAL

All small businesses that have been awarded grants will be published on the City of Seaside’s website.

POST GRANT FOLLOW UP

The City will continue to work one-on-one with each grantee over a period of 12 months following grant award. All grantees will be required to update the City on their business, the use of grant monies, and whether additional employees have been hired or employees retained. A report will be created by the City to document the success of the program to HUD.

PROGRAM COMPLAINT AND APPEAL PROCESS

Complaints concerning the City's Microenterprise Development Grant Program should be made to the City of Seaside Community Development Department. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City Manager's Office.

GRANT APPLICANT CONFIDENTIALITY

All personal and business financial information will be kept confidential to the extent permitted by law.

EQUAL OPPORTUNITY COMPLIANCE

This Program will be implemented in ways consistent with the city'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, physical or mental disability, sexual orientation, or other arbitrary cause.

CONFLICT OF INTEREST REQUIREMENT

Applicants for business assistance shall not be an employee, agent, consultant, officer or elected official or appointed official of the City who exercises or have exercised any function or responsibilities with respect to activities relating to this program or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from the program, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

CITY RESERVED RIGHTS

The City reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to select or reject any or all applications received in response to this program; (3) to modify the application deadlines; (4) to request additional information of the applicants as deemed necessary and appropriate by the City; (5) to conduct further due diligence with applicants or any third party; (6) to modify the City's objectives or the scope of the program; (7) to modify program requirements, general terms and conditions, or eligible activities; and/or (8) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

CONTACT INFORMATION

For questions or additional information regarding the Seaside Microenterprise Development Grant Program, please contact the following:

Haroon Noori, Administrative Analyst II
Community Development Block Grant (CDBG) Program
656 Broadway Ave, Seaside, CA 93955
Phone: (831) 899-6726
Email: hnoori@ci.seaside.ca.us

Exhibit A

2020 Annual Income Limits

The City of Seaside’s Community Development Department administers the Community Development Block Grant (CDBG) program, which is subject to specific income eligibility criteria. Income eligibility for this program is determined by comparisons with the U.S. Department of Housing and Urban Development (HUD) income limits currently in effect at the time of program application. The current income limits, adjusted for household size, are indicated below.

Family of:	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Extremely Low Income	\$0 – 20,350	\$0 – 23,250	\$0 – 26,150	\$0 – 29,050	\$0 – 31,400	\$0 – 35,160	\$0 – 39,640	\$0 – 44,120
Very Low Income	\$20,351-33,950	\$23,251-38,800	\$26,151-43,650	\$29,051-48,450	\$31,401-52,350	\$35,161-56,250	\$39,641-60,100	\$44,121-64,000
Low Income	\$33,951-54,250	\$38,801-62,000	\$43,651-69,750	\$48,451-77,500	\$52,351-83,700	\$56,251-89,900	\$60,101-96,100	\$64,001-102,300
Median Income	\$54,251-57,100	\$62,001-65,300	\$69,751-73,450	\$77,501-81,600	\$83,701-88,150	\$89,901-94,650	\$96,101-101,200	\$102,301-107,700
Moderate Income	\$57,101-68,550	\$65,301-78,300	\$73,451-88,100	\$81,601-97,900	\$88,151-105,750	\$94,651-113,550	\$101,201-121,400	\$107,701-129,250

EXHIBIT B QUALIFIED CENSUS TRACT 137

A microenterprise located within this tract automatically qualifies for participation in the program.

