



Small Business Support Grant Program Guidelines

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Applications are due no later than Wednesday, February 17, 2021 at 5 p.m.

Program Overview

The City of Newport Beach 2021 Small Business Support Grant Program will provide one-time funding to small businesses located within the city that need financial assistance to aid in their recovery from the loss of revenue due to the COVID-19 public health emergency.

The Orange County Board of Supervisors (Board) allocated \$10 million in General Fund money equally among its five supervisorial districts for the economic support of small businesses. The Second Supervisorial District, where Newport Beach is located, divided its share of the funding (\$2 million) on a per capita basis to the cities located in the district. Newport Beach received \$290,000 to use toward economic support initiatives for the small businesses in our community that have been adversely impacted by the COVID-19 public health emergency.

The City Council authorized the development of a program to provide \$5,000 grants to qualifying Newport Beach small businesses. The City intends to award up to 58 grants under this program.

Please carefully review these guidelines as successful applicants must submit completed applications before the deadline, and provide documentation that they meet the eligibility requirements, terms and conditions.

If the number of qualifying applications received exceeds the amount of funding available for disbursement, the City will implement a lottery system for all eligible small businesses.

Eligibility

To be eligible to apply for the 2021 Small Business Support Grant Program, a business must attest to the need for financial assistance due to business interruption caused by the COVID-19 public health emergency and the regional Stay at Home order. The grants can only be used to cover eligible expenses incurred between December 31, 2020 and June 31, 2021.

Newport Beach Terms and Conditions

Applicants need to meet the following minimum requirements to be considered for grant funding:

- The business must be a for-profit business and located within Newport Beach city limits.
- The business must be legal and located in a commercial or industrial space. Home-based businesses are not eligible.

- The business must be the master lease holder or the owner of the commercial or industrial space it occupies. Sub-leases do not qualify.
- The business must be independently owned and operated, not dominant in its field of operation, and have its principal office located within Newport Beach city limits.
- At least one officer of the business must reside in Orange County, California.
- The business must have an active Newport Beach business license for a minimum of six (6) months, as of June 1, 2020.
- On March 1, 2020, the business must have had 50 or less full-time, or an equivalent combination of full and part time employees (two part-time employees equal one full-time employee), including the owner.
- The business must have average annual gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years.
- The business must be in good standing with the City, meaning:
 - It must be current on its business license fees or in good standing on its payment plan;
 - It must not have any existing municipal code violations;
 - If applicable, it must be current on its business improvement district assessment or in good standing on its payment plan;
 - If applicable, it must have a valid Marine Activities Permit;
- The business must disclose whether it has received COVID-19 relief funding from the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL), the County of Orange, the State of California or the City of Newport Beach. If a business received funding, it is still eligible to receive City grant funds. However, priority will be given to applicants that have not received any City of Newport Beach funding.
- The business must follow the State's and/or County's re-opening guidance for its industry.

The business must submit a completed application and all required documentation.

Grant Amount

Applicants are eligible to receive a grant of \$5,000.

Funding Priority

The program will be open to any small business that meets the eligibility criteria, terms and conditions. Priority will be given to:

1. Applicants that have not received a City grant within the past year.
2. Businesses that provide on-site services that have been severely impacted by the COVID-19 public health emergency and the related operational restrictions. These include restaurants, retail, personal service establishments (hair salons, barber shops, nail salons, day spas, small gyms/health clubs).

Eligible Activities

The grant funds may be used toward the business's day-to-day operating expenses such as rent or lease payments, mortgage payments, utility bills, payroll, inventory, technology, marketing/communication, or other similar expenses that occur in the ordinary course of operations. Grant monies may also be used toward the cost of obtaining personal protective equipment for staff and customers as well as devices intended to enhance safety of staff and customers, such as hands-free payment devices, sanitation supplies, and plexiglass partitions. To be eligible under this grant program, expenses must have been incurred on or after December 31, 2020 and all grant funds awarded must be fully expended on eligible activities by June 30, 2021.

- Applicants must sign and verify that the use of grant funds have been or will be spent on eligible activities, such as those listed above.
- Grant awardees shall retain records and receipts, showing that the grant funds were expended on eligible activities, for 4 years. Such records or receipts shall be provided within 10 days of the City's request.
- Any use of funding other than for an eligible activity is strictly prohibited. The business must reimburse the program for any expenses found to be not in compliance with the program's list of eligible activities.

The City may inspect the business premises to verify the grant monies are being used in accordance with the program requirements.

Business expenses that have been reimbursed or paid for with money from the federal government, state government, County of Orange program or other City of Newport Beach grant program are not eligible for the 2021 Small Business Support Grant Program. No overlap or duplication of funding assistance between this and another funding program is permitted.

Grant Application and Award Process

The grant application and award process will be as follows:

1. The application period will be open from **Wednesday, February 10 at 8 a.m. to Wednesday, February 17 at 5 p.m.** Applications must be submitted online via the Forms site link on www.newportbeachca.gov/supportgrants.
2. Applicants must self-certify that the funds will only be used for expenses permitted under the 2021 Small Business Support Grant program (see the Eligible Activities section on page 3).
3. The City of Newport Beach will review the applications. If the number of qualifying applications received exceeds the amount of grant monies available, the City of Newport Beach will use a lottery system to randomly select and rank the applications. Funding priority will be given to businesses that have not received prior grant funding from the City of Newport Beach (see the Funding Priority section on page 3).
4. Once the application and its documentation is received and approved, the City will send the business a grant agreement. Once the grant agreement is signed and submitted by the business, the City will mail the \$5,000 grant check to the address provided on the W-9.
5. All eligible expenditures must be completed by June 30, 2021 (see the Eligibility section on page 1).
6. Upon request, the grant recipient will be responsible for providing documentation, within 10 days, to the City that accounts for how the entirety of the grant monies received were used to fund eligible expenses, and the applicant will provide the City with any additional information or documentation related to these expenditures, if requested by the City.

Documentation Requirements

The documentation will be used to verify the business meets the program eligibility requirements, terms and conditions as provided in these guidelines.

- Copy of the pages of a signed, fully executed master lease or grant deed for the commercial/industrial business address.
 - For leases, documentation must show the name of the lessee and lease term.
 - For grant deed, documentation must show the name of the property owner.
- W-9

The City of Newport Beach may request additional documents if necessary, to verify the business meets the program eligibility requirements, terms and conditions.

Contacts

If you have questions about the Small Business Relief Grant Program, please contact:

City of Newport Beach

City Manager's Office

949-644-3001

economicdevelopment@newportbeachca.gov

<http://www.newportbeachca.gov/supportgrants>

