

**ROCKLAND CDBG-CV GRANT  
REGIONAL MICROENTERPRISE GRANT PROGRAM  
PROGRAM GUIDELINES  
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## INTRODUCTION

The Rockland Regional Microenterprise Grant Program (The Program) provides Grants of up to \$25,000 to eligible microenterprise businesses (those with 5 or fewer employees, including the owner or owner[s]) who have been adversely affected by the Covid-19 pandemic by helping them to prevent, prepare for, or respond to Coronavirus. This regional effort includes the Towns of Rockland, Abington, Avon, Holbrook, Hull, and Wareham. Funding is provided through a grant from the Massachusetts Department of Housing and Community Development, (DHCD) using Community Development Block Grant (CDBG) funding from the United States Department of Housing and Urban Development (HUD).

### A. ELIGIBILITY OF BUSINESS

**Location:** Microenterprise Businesses must have a physical establishment in one of the six participating towns: Rockland, Abington, Avon, Holbrook, Hull, or Wareham. Home-based businesses may apply if otherwise eligible.

**Type of Business:** the Microenterprise must be a **for-profit business with five or fewer employees (including the owner or owners)** that was **established prior to October 1, 2019** and that is **currently in operation** (even if temporarily suspended due to Covid-19 limitations). The business **must provide goods or services to multiple clients**; must **have valid state and local licenses and registrations** as required; **must not be in litigation with the Commonwealth or the town** in which it operates; must be in good standing with the state and the town and **current with taxes through 3/1/2020**. The business may be a sole proprietorship, partnership, LLC, or corporation. The business must have a DUNS number to receive a microenterprise grant. Businesses who do not have a DUNS number at the time of application must apply for one and demonstrate that they have done so. The business owner(s) must be low- or moderate-income (See Paragraph B below)

**Ineligible Businesses:** The following types of businesses are *ineligible* for assistance through this program under state guidelines:

- Real estate rentals/sales businesses;
- Businesses owned by persons under age 18;
- Businesses that are chains;
- Liquor stores;
- Weapons/firearms dealers;
- Lobbyists; or
- Cannabis-related businesses

### B. ELIGIBILITY OF BUSINESS OWNERS

**Income Eligibility:** The program is designed to benefit small businesses owned by low- and moderate-income owner(s). The owners of the company must qualify as low- or moderate-income (LMI). Income eligibility is defined as owner(s) having a

family income of no more than 80% of the median income for the geographic area *in which they reside* (not the geographic area in which the business is located). Income limits are adjusted for family size and are revised annually by HUD, generally in the spring of the year. Business owners who both own a qualifying business and reside in the six participating towns of Rockland, Abington, Avon, Holbrook, Hull, and Wareham must have gross annual family incomes of no more than those shown on the chart below.

**For business-owners residing in Rockland, Holbrook, Hull, and Wareham:**

<b>Family Size</b>	<b>Maximum Income</b>
1	\$70,750
2	\$80,850
3	\$90,950
4	\$101,050
5	\$109,150
6	\$117,250
7	\$125,350
8	\$133,400

2021 Income Limits (Effective June 2021)

**For business-owners residing in Abington or Avon:**

<b>Family Size</b>	<b>Maximum Income</b>
1	\$55,950
2	\$63,950
3	\$71,950
4	\$79,900
5	\$86,300
6	\$92,700
7	\$99,100
8	\$105,500

2021 Income Limits (Effective June 2021)

Business owners who reside outside of the six participating towns must be income-eligible based upon the income limits for the geographic area in which they reside.

Gross family income will be calculated using one of the following methods:

- a) Gross income shown on federal tax returns for the most recent year filed, generally 2019. If 2019 income taxes are under an extension and not yet filed, 2018 returns may be used. The business owner will be required to show proof of the extension of 2019 tax returns to use 2018 income tax returns; or
- b) Current family income of the business owner(s) as documented by source documents (pay stubs, bank statements, benefit letters for Social Security, pensions, cashflow statements for the business, etc.). Documentation will be

collected for the most recent two-month period and will be annualized forward for a 12-month period.

**Income-eligibility for Businesses with more than one owner:** For businesses that are owned by more than one person, all owners must be income-eligible for the business to be able to receive a microenterprise grant. Each owner's income will be calculated separately based upon their family size and area of residence.

**Conflict of Interest Provisions:** Business owner(s) must declare as part of the application whether they, or any member of their immediate family, are employed by or serve in an official capacity on any board or committee (whether paid or unpaid) of a participating community.

- **Town Employees, Officials and Staff:** Town employees or officials who may have authority with respect to the administration of the CDBG-CV Grant are not eligible to receive assistance through the program.
- **Other Town Employees, Officials, or their immediate family members:** The Program will conduct a conflict of interest review using DHCD guidelines to determine whether a conflict of interest exists for any other town employee or official requesting assistance.

### C. MAXIMUM GRANT AMOUNT

The maximum grant available to each microenterprise business is \$10,000. Businesses are not guaranteed the maximum grant amount but must demonstrate need for the funding. Grant amounts will be based upon demonstrated need for the funds as documented by the business owner(s) application and supporting documentation.

### D. USE AND EXPENDITURE OF FUNDS

Microenterprise grant funds must be used to prepare for, prevent, and respond to Coronavirus and expended for the purposes for which the business requested.

**Approved Uses:** Grant funds may be used for working capital to cover business costs, such as rent, staffing, and utilities, insurance, cost of goods. Funds may also be used for purchasing personal protection equipment (PPE), for obtaining technical assistance directly related to Coronavirus (for example, to create internet-based access to goods or services in response to limitations placed on in-person business activities).

**Non-Approved Uses:** Grant funds *may not be used* for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying.

**Expenditure Dates:** Businesses may request grant funding to cover expenditures dating back to March 10, 2020 (for example, mortgage or rent payments, utilities, or other operating cost arrears). Due to the emergency nature of this program, it is

**Commented [1]:** Commenting to confirm that this is a hard and fast date from DHCD. Specifically, that there would not be a different date for Rockland for any reason.

**Commented [WD2R1]:** Correct. This is the date the state of emergency started.

expected that grant funds, once received, will be expended by the business within 45 days of receipt and the business must demonstrate through documentation submitted to the program that funds were expended for the purposes for which they were requested, and in compliance with program guidelines.

#### **E. DUPLICATION OF BENEFITS PROHIBITED**

Microenterprise grants may not be duplicative of other funding received or available to the businesses to cover the losses or costs for which the microenterprise grant is provided. As part of the application and program agreement, business owners will certify that the funding received through the Program will not duplicate any funding from other federal, state, or private sources provided to or available to them for the same purpose. Having received funding from another program (such as the PPP program under the Federal CARES Act) does not prevent the business from also applying for and receiving a microenterprise grant, but the total funding received from all sources may not exceed the demonstrated need.

#### **F. DISTRIBUTION OF FUNDS**

A total of \$480,000 is available to provide microenterprise grants to eligible businesses. Initially, each of the six participating towns will be allocated \$50,000 in funding. As it is expected that demand will vary among the towns for these funds, a review will be conducted of expenditure rates six months after the program commences. If there is significant disparity in expenditure rates and demand for grant funds among the towns, the remaining funding will be pooled and distributed to eligible businesses in the order of applications received, regardless of town.

#### **G. APPLICATION PROCESS**

**Initial Outreach:** At the commencement of the program applications will be made available widely within the six participating towns. Outreach will be conducted and applications will be available on town websites, through outreach by economic development committees and planning offices and other methods specific to the individual towns. A webinar will be conducted for microenterprise businesses to explain the program, eligibility requirements, and application process and to answer questions from potential applicants. That webinar will be recorded and posted to be available to businesses unable to attend the webinar live.

Preliminary applications will be distributed for a period of two weeks after which a lottery (by town) will be held of applications received by the application deadline and found to meet basic eligibility criteria. The purpose of the lottery will be to create the order in which applications will be processed.

**Preliminary Application:** A preliminary application will collect basic information about the business and the business owner(s). The purpose of the preliminary application is to determine basic eligibility of the business – that it has 5 or fewer

employees; is not an ineligible business type; is located in a participating town; has or has applied for a DUNS number; etc. Preliminary applications will be reviewed as received and those that meet basic eligibility criteria will be given a lottery number and placed in the lottery.

**Lottery:** A lottery will be conducted approximately a week after the application deadline (three weeks after applications were made available to potential applicants). The lottery will be conducted on Zoom and will consist of six separate lottery pools – one for each town. A representative of each town will draw randomly from ballots for applicants from that town. As lottery numbers are drawn, a list will be created in the order drawn in the lottery to create an initial waiting list for each town.

**Applications received after the Application Deadline for the Lottery:** The Program will continue to accept applications after the application deadline for the lottery. Once the lottery is held, and the initial waiting lists created, applications received after the initial application deadline will be added to the waiting list for the appropriate town in the order received.

**Waiting List:** Applications will be processed from the waiting lists in order. Initially two applications from each town will be opened (12 applications total). Applications will be activated as they come up in order from the waiting lists. When activated, the business will be provided with a full application, application instructions and a checklist of required documentation.

**Full Application:** The full application will collect detailed information about the business; the business owner(s); the business owner(s) family income(s); demographic information; and detailed information regarding the business's need for grant funding, the amount requested and proposed use of funding. Documentation checklists will be provided both for documenting business owner's income and for documenting business losses or expenses for which the business is seeking grant funds. Businesses will have two weeks to complete the full application and submit it, along with all required documentation, to the program office.

**Application Review:** Program staff will review applications as submitted. Business owners will be notified of any missing information or documentation, or any additional information that may be required to evaluate the application and given an additional week to submit the missing or additional information.

Applications that remain incomplete at the end of the three-week review period will be closed administratively and program staff will move to the next application on the waiting list. Businesses whose applications are closed administratively may re-apply but will be placed at the bottom of the waiting list.

Once a completed application with all appropriate documentation is received, program staff will review the application in two parts:

- **Income-eligibility review:** Business owner(s) family income will be reviewed first, based upon submitted documentation.
- **Funding review:** If Business owner(s) are determined to be income-eligible under the program guidelines, program staff will then review submitted documentation regarding funds requested and proposed use of funds. This review will include a determination that:
  - a) grant funds will not be duplicative of other funding received or available;
  - b) documentation supports the amount of funding requested; and
  - c) the proposed use of funding is eligible under program guidelines.

Applicants will be notified of the results of the review. Ineligible applicants will be notified of the reasons they are ineligible. Eligible applicants will be notified that their applications have been approved and notified of the amount of funding available to them.

## **H. PROGRAM AGREEMENT**

Each business receiving a microenterprise grant must sign a program agreement with the Town of Rockland containing the conditions under which funding is provided. While funds are provided in the form of a grant, the program agreement will specify the eligible uses of the funds, and other conditions which must be met. If funding is used for an ineligible purpose, documentation regarding expenditures is not provided in a timely manner, or any statement or representation made by the business to obtain the funding is found to be inaccurate, grant funds must be repaid.

## **I. CDBG-CV PROGRAM REGULATIONS**

The program will comply with all regulations set forth by the Federal Department of Housing and Urban Development (HUD) and the Massachusetts Department of Housing and Community Development (DHCD) for use of Community Development Block Grant Coronavirus Funding (CDBG-CV).

## **J. ADMINISTRATION**

The program will be administered through the Rockland Community Development Office under the direction of the Board of Selectmen. Program staff will be responsible for the operation of the program on a day-to-day basis under the supervision of the Town Administrator.

## **K. CITIZEN ADVISORY COMMITTEE (CAC)**

The Town of Rockland recognizes the importance of citizen participation in the implementation and evaluation of the microenterprise grant program. The Town encourages involvement of residents in the program through its Citizen's Advisory Committee (CAC). The CAC shall serve in an advisory capacity to the CD Director

and the Rockland Board of Selectmen concerning matters of grievances, program policies, program feedback, and grant compliance.

The Rockland Board of Selectmen shall appoint five members of the community to serve on the CAC. The CAC will be responsible for adjudicating grievances that cannot be resolved by program staff.

Every effort will be made to ensure that the CAC members are representative of different interests, economic and social roots, and community affiliations.

#### **L. AMENDMENTS AND REVISIONS**

Program guidelines and forms may be revised from time to time as deemed necessary.

#### **M. GRIEVANCE PROCEDURE**

The Town of Rockland “MCDBG Program Grievance Procedures” (located in Attachment A) is on file in the Community Development Office and is available for public review. They describe the procedures in place for settling any misunderstandings or disputes that may arise during any aspect of the administration of the program. They detail a two-tiered grievance process of mediation as well as steps to be followed if cases are appealed.

#### **N. REASONABLE ACCOMODATIONS**

In accordance with Title II of the “Americans with Disabilities Act of 1990” and Section 504 of the “Rehabilitation Act of 1974,” the town will reasonably accommodate qualified persons with disabilities in all programs and services funded by the MCDBG Grant. All programs will be offered in accessible locations (e.g., those meeting the requirements of the “Americans with Disabilities Act Accessibility Guidelines”), or redesigned and modified to be accessible when barrier-free facilities are unavailable for program delivery. Reasonable accommodation for other types of disabilities will be made at the request of the affected person.

If the town needs to accommodate non-English speaking persons, it will take all administratively feasible steps to provide translation assistance upon request. For example, local authorities would seek qualified translators (e.g., faculty, graduate, and ESL students) from the foreign language departments of nearby colleges and universities.



## ATTACHMENT A

### ROCKLAND REGIONAL MICROENTERPRISE GRANT PROGRAM MCDBG PROGRAM GRIEVANCE PROCEDURES

Persons dissatisfied with or aggrieved by administrative or operational decisions made during the grant cycle will have access to the following complaint resolution hierarchy:

1. Individuals should write the program, stating the nature of the complaint and requesting a specific remedy(ies). If the complaint involves a decision to deny, modify, or set conditions on assistance or benefits from grant programs, the individual making the complaint will establish his or her standing to appeal the decision. “Standing” is limited to an individual who applied for and was denied assistance or was otherwise required to meet certain requirements that had the effect of denying assistance.
  - The Program Director will respond to all written complaints within 15 days of receiving them. At the Director’s discretion, the complaint will be resolved by any of the following means: a meeting with the individual who filed the complaint and his/her advocate and/or assembling other information needed to consider and act on the complaint.
2. If the complainant is not satisfied with the Program Director’s decision, he/she may submit a written appeal to the Town Administrator. The Town Administrator may meet with the complainant and Program Director or other community development staff separately, or together, depending on the nature of the grievance and its potential for being resolved by mediation.
  - Preference will be given to mediation wherever possible and appropriate.
  - A dispute that cannot be mediated will be handled by an administrative determination, and the Town Administrator will answer the complaint in writing within 30 days.
3. The final level of appeal shall be to the Board of Selectmen. Depending on the nature of the complaint, available evidence and whether irreparable damage may occur from further resolution delays, the Board of Selectmen may overturn or modify a previous decision, hold a hearing with the parties, or remand the matter to the Program Director with instructions.
  - The Board of Selectmen’s decision is final, and will be issued within 30 days of receiving the appeal.
4. Administrative actions that are not eligible for appeal include a denial of assistance based on an applicant’s household income exceeding the permissible limits, fraudulent or misleading income representations, and requests for types of assistance not funded by the grant.

**Commented [3]:** This section was lifted from Rockland's current HRP program guidelines. I don't know if this committee still exists. If it doesn't, I should remove this paragraph and skip to the Board of Selectmen, correct?

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