



COVID-19 Micro-Enterprise Grant

Guidelines & Application Instructions

August 2020

COVID-19 MICRO-ENTERPRISE GRANTS

Program Overview

The City of Evanston will provide one-time funding to micro-enterprises located within the city that need financial assistance to aid in their recovery from the COVID-19 public health crisis. The COVID-19 micro-enterprise assistance program will provide grants of up to \$2,500 for income eligible micro-enterprises impacted by COVID-19.

This program will be funded by the CARES Act CDBG-CV funding allocated to the City of Evanston to prevent, prepare for, and respond to the coronavirus to be expended. In addition to required applicant eligibility qualifications, assistance under this program is subject to funding availability.

Please carefully review the guidelines below as successful applicants must submit complete applications before the deadline; provide documentation that they meet the eligibility requirements, terms, and conditions; explain how the grant monies would be used toward necessary COVID-19 related business expenses; and later provide documentation demonstrating that the grant monies were used toward those expenses.

Eligibility

To be eligible to apply for the COVID-19 Micro Enterprise Grant Program, a business must demonstrate the need for financial support due to the impact of the COVID-19 pandemic and meet the following criteria:

- The business must be a for-profit business and located within Evanston city limits. Home-based businesses are eligible if the owner is an Evanston resident.
- The business must have an active business registration with the City of Evanston's Economic Development department or be licensed through another City department (e.g. Health Department). The registration application can be found at cityofevanston.org/businessregistrationapplication

- The business was in existence on or before March 1, 2020. An exception may be made for a business created by a COVID-19 related loss of employment or in response to a COVID-19 related need.
- The business must have five (5) or fewer employees on their payroll, including the owner(s).
- Family income must be projected to be below 80% Area Median Income (AMI) for the next 12 months.
- The business must be able to demonstrate that the grants funds will be used for COVID-19 related expenses.
- The business must disclose whether they have received funding from other federal, state, or local sources (including PPP and EIDL). Applicants who have received funding are still eligible providing the funds are not currently being spent on the same expenses.

2020 Average Median Income Chart

% AMI	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
80%	\$51,000	\$58,250	\$65,550	\$72,800	\$78,650	\$84,450	\$90,300	\$96,100

Family Definition: per HUD regulations, the term "family" as defined at §570.3(m), means all persons living in the same household who are related by birth, marriage, or adoption. When such persons occupy the same housing unit they are considered as members of the family. Their incomes are to be aggregated for calculating family income

Family income would include any business or non-business related income such as all family members wages, earnings, overtime, hazard pay, commissions, fees, tips, bonuses (before payroll deductions), retirement/social security/pensions, unemployment benefits, disability benefits, dividends/interests and any other income or benefits received.

Funding Priority

If requests exceed the available funding, precedence will be given during the grant allocation process to qualified applicants who meet the following criteria:

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- The business has not received any other financial assistance from federal, state, or local sources.
 - Family income was below 80% AMI prior to COVID-19, based on prior year tax returns.
 - The business is located in the CDBG target area.
 - The business is woman or minority owned.

If necessary, a lottery system will be put in place to select prioritized applicants.

Ineligible Businesses

- Businesses that are a part of a national or regional franchise operation.
- Businesses in default standing prior to February 29, 2020.
- Nonprofit organizations
- Businesses deriving income from any of the following: passive investments without operational ties to operating businesses or real estate transactions; lobbying or political activities, gambling activities, not-for-profit social clubs, bank branches; pay-day loan stores; cannabis-related businesses; and any uses similar to those listed above.
- Churches or other religious organizations
- Government offices or agencies

Eligible Activities

The grant may be used for working capital to cover the business's day-to-day expenses such as rent or lease payments, mortgage payments, utility bills, technology, marketing/communication, or other similar expenses. Grant monies may also be used towards the cost of obtaining protective equipment for staff and customers (masks, hand sanitizer, hands-free payment devices, plexiglas shields, etc.), professional services (accounting, tax, insurance, legal, etc.), or digital commerce expenses for the creation or

enhancement of a website (including hosting, ecommerce platform fees, digital media consulting fees, etc.). Funds may not be used to cover construction costs.

Program Administration & Application Process

The grant application and award process will be as follows:

Step 1: Submit online application

The application period will open September 1, 2020 through September 15, 2020. Late or incomplete applications will not be accepted. Applications can be submitted:

- Online at cityofevanston.org/COVID19Microenterprisegrant
- Via email to economicdevelopment@cityofevanston.org
- By mail at City of Evanston, Attn: Katie Boden, 2100 Ridge Ave, Evanston, IL 60201

A printed form can be obtained by printing the online application or by contacting 311. Applicants must self-certify income verification and that all funds will be used for expenses permitted under this program. Additional documentation will be required for the selected qualified applicants. Applications will be open for 2 weeks at a time and prioritized until funds expire.

Step 2: Staff application review process

City of Evanston staff will review the applications within five (5) business days for eligibility requirements and scope of work to be funded. Staff will rank eligible applicants based on the funding priority listed above and if the number of qualified applications received exceeds the amount of grant monies available, a lottery system may be used to randomly select applications.

Step 3: Contact selected applicants

Staff will work with the selected applicants to collect the required documentation. The applicant will be given two weeks to produce the requested documentation. If documents are not received by the end of the two week period, the applicant will be disqualified.

Step 4: Administrative approval

Staff will review all completed applications with required documentation and notify the applicant of the result of their application.

Step 5: Execute a program agreement

Successful applicants must sign a program agreement acknowledging the terms and obligations of their participation before funds are disbursed.

Step 6: Follow-up

The grant recipient will be required to provide information to the City on how the grant money was spent and its impact on the business.

Documentation Requirements

City of Evanston staff will contact each selected applicant to collect all required documentation. The documentation will be used to verify the business meets the program eligibility requirements, terms and conditions as provided in these guidelines.

Complete applications must include:

- Business plan or business statement (applicant must demonstrate how the business has been negatively impacted by COVID-19 and how the use of funds will help increase revenue, employment, etc.)
- Proof of business location or residency (home-based businesses) in Evanston
- Valid City of Evanston business registration or license
- Proof of income eligibility: 2019 family tax returns and proof of current monthly family income (paystubs, and any other financial documents)
- Proof of business financial impact of COVID-19: 2019 business tax return and current year-to-date profit and loss statement
- Duplication of benefits: Signed affidavit stating the business has not received any other local, state, federal funds if applicable
- Signed program agreement
- If the business was not operational in 2019 proof of business formation

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- Copy of the most recent bill/statement/receipts/quote you are requesting funds for. If unavailable, please provide justification within your business statement

Staff may request additional documents if necessary to verify the business meets the program eligibility requirements, terms and conditions.