

# CDBG-CV FUNDING CRITERIA

CDBG-CV Economic Development grants provide communities with funding to help local businesses retain jobs for low-to-moderate income people.

## **Eligibility**

To be eligible to receive a CDBG-CV Economic Development grant, the recipient business must be a for-profit business and retaining jobs for low to moderate-income people. 51% or more of the full-time equivalent (FTE) jobs retained must be for persons from low to moderate-income households as defined by HUD.

- Must be within Baldwin City limits
- All bills must be current with City
- First come first serve

CDBG-CV Economic Development grants can be used to pay for the following expenses:

- Working capital such as wages, utilities, rent, etc.
- The purchase of 60 days' worth of inventory needed to reopen (60 days will begin on the day the business is allowed to reopen).

## **Award Amounts**

### **Parameters**

- Grants may be considered for working capital expenses for a 60-day period
- Grants are available for those that have already received PPP/EIDL funding. However, CV funds must be used for a different project activity or time period than the other federal funds to avoid duplication of benefits.
- Funds can only be used for qualified working capital expenses incurred during a 60-day period beginning no earlier than March 1, 2020.

- Maximum Grant: \$30,000

## **CDBG-CV Frequently Asked Questions**

**Are companies with more than 50 employees eligible for CDBG-CV?** No. Companies with more than 50 employees are not eligible to apply for CDBG-CV. The city or county can, however, apply for regular CDBG economic development grants. More information on these grants can be found online at [www.kansascommerce.gov/cdbg](http://www.kansascommerce.gov/cdbg).

**What does “working capital” mean?** Working capital can cover inventory, wages, utilities and everyday expenses except for paying existing debt off. Businesses must provide invoices to the city/county when drawing down funds.

**Can businesses apply for CDBG-CV funds through the Department of Commerce?** No. Only non-entitlement Kansas cities and counties can apply for CDBG-CV funding through the Department of Commerce. Businesses must make their applications for funding directly with the city or county where they are located.

**How will cities and/or counties distribute Economic Development grants to businesses?** Each city and/or county determines how to allocate the funds awarded to them on a local level. The amount of funds able to be granted to businesses is dependent on the number of jobs retained per business.

**What types of businesses are eligible to receive CDBG-CV funding from their city and/or county?** Businesses and organizations that suffered losses due to COVID-19, and who have not received funding from other resources, are eligible to receive CDBG-CV funding from their city and/or county. Businesses must have been in existence as of March 1, 2020. Page | 4 Are businesses owned by public officials eligible to receive CDBG-CV grants? No. Companies with a conflict-of-interest (for example, a business owned by a city councilor) are ineligible for grant funds.

**Are home-based businesses eligible for CDBG-CV funding from their city and/or county?** Yes. Home-based businesses are eligible to receive funding. Not included are direct marketing businesses e.g. MaryKay, Pamper Chef, etc.

**If a business participated in the Paycheck Protection Program (PPP), are they eligible to receive CDBG-CV funds?** Yes, but the CDBG-CV funds may not be used for employee salaries. No duplication of benefits.

**If a business participated in the Economic Injury Disaster Loan program (EIDL), are they eligible to receive CDBG-CV funds?** Yes, so long as it is not a duplication of benefits.

**If a business participated in the Hospitality Industry Relief Emergency (HIRE) Fund loan program, are they eligible to receive CDBG-CV funds?** Yes. Because the HIRE Fund was funded with state dollars, there is no impact on a company's ability to apply for and receive a CDBG-CV grant, as they are funded with federal dollars.

**Is the purchase and installation of hand sanitizer stations or physical dividers/barriers in a business is eligible?** Yes. These items are considered working capital.

**Are the Economic Development grants eligible for paying off existing debt from other sources including local revolving loan funds?** No.

**Generally, a church or school isn't eligible for CDBG funds. If either has a food program or pantry, would they qualify?** Yes. Churches and schools with food programs and pantries are eligible to apply through their city and/or county.

**A local 501(c)3 runs the Meals on Wheels program, and they were not able to hold their major fundraiser because of the COVID-19 pandemic. Would they be able to apply?** Yes. They would be an eligible recipient of CDBG-CV funds. The city and/or county would have to apply for those funds.