

Microenterprise Small Business Loan Program
Application Instructions

The City of Waukegan CDBG Program is administering a special allocation of CDBG funds to be used to prevent, prepare for, and respond to the COVID-19 pandemic. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by the Federal government on March 27, 2020. The City of Waukegan CDBG Program will use these funds to aid in the stabilization of existing small Brick-and-Mortar and At-Home-Based businesses within the City of Waukegan that have had a significant business disruption due to the impact of the COVID-19 pandemic.

BEFORE YOU BEGIN THE APPLICATION

Please read over the guidelines and instructions carefully before you begin. Within the application you will attest to the fact that you have reviewed and understand the document. In an effort to expedite processing applications, please provide all required documentation at the time of submission. Representatives from the City of Waukegan CDBG Program may reach out to you for further information or clarification. Please make sure to check your junk emails should these communications be routed to your junk folder, as this could cause delays in application approval. Give detailed information to questions requiring a written explanation. Please answer each question and include the requested documentation. Should you have any questions, please call the office at (847) 599-2530.

QUALIFICATION DETAILS

In Order to Qualify for Funding the Following Must Apply:

- Owner must live in the City of Waukegan
- Owner must meet HUD’s low-to-moderate household income thresholds
 - Household income adds income from all individuals over 18-years-old living in your home. The total must fall below:

Household Size	Income Limit
1	\$52,200
2	\$59,650
3	\$67,100
4	\$74,550
5	\$80,550
6	\$86,500
7	\$92,450
8	\$98,450

- Owner must have a credit score above 500
- Owner must not owe any Local, State, or Federal taxes or fees as of September 1, 2021
- Business must be located within the City of Waukegan
- Must be a Sole Proprietorship, Partnership, S-Corporation, Corporation, Individual, or LLC/LLP
- Business must be considered a “microenterprise” -- independently or family-owned for-profit business with 5 or fewer employees, including the owner

- Business must have been established prior to or on September 1, 2021
- Demonstrate a negative impact related to COVID-19
- All required documentation must be received in order to process funding
- Must provide proof of any COVID-19-related funding received such as CDBG Grants, PPP Grants or SBA Loans, Insurance, etc. (if applicable)
- Obtain a DUNS # and register for SAM.gov (can apply while waiting for registration processing)

DISQUALIFICATION DETAILS

You will be Disqualified If:

- All required documentation is not received
- The application is incomplete or does not answer the questions with enough information
- False or missing information was disclosed and discovered during application processing
- Business is not located in the City of Waukegan
- Business was established after September 1st, 2021
- Applicant did not sign the application in person, at the CDBG office
- Applicant exceeds the low-to-moderate household income threshold
- The microenterprise has more than 5 employees
- The purpose is not eligible
- Received previous funding through our CARES Act Small Business Grant Program, on behalf of the Black Chamber of Commerce
- Received other financial assistance for the same cost and timeframe. The same business expenses cannot be funded by this program that another funding source helped pay for

REQUIRED DOCUMENTATION:

- W-9 Form
- Government Issued Photo ID
- Social Security Card
- Business Registration/License
- Business General Liability Insurance (Business Declaration Page)
- DUNS Verification
- SAM.GOV Verification (must be in good standing and can apply while waiting for registration processing)
- Copy of Business Lease and/or proof of ownership of property where business is located
- 2019 AND 2020 Personal Tax Returns & W2's (W2's match Tax Returns – need both state and federal & Full return must be submitted)
- 2019 AND 2020 Business Tax Returns (Full Returns)
- 2019 AND 2020 Business Bank Statements
- Proof of Federal, State, Local or Private Pandemic Relief Funding Sources Received (CDBG Grants, PPP Grants or Loans, Insurance, etc.) – (if applicable)
- Proof of Delinquent Rent or Mortgage (if applicable)
- Proof of Delinquent Utility Bill (if applicable)

LOAN DETAILS

- Only One Application per Business (if you have more than one business you **cannot** apply)
- A \$15,000 Grant + a Five-year, 0% interest Working Capital Loan for up to \$10,000 per microenterprise owner, with a 12-month deferred payment period, for a total of \$25,000.

Recipients must provide quarterly reports and documentation of eligible expenses (i.e. receipts, paid invoices).

- Available on a First-Come, First-Served Basis

ELIGIBLE PURPOSES

- Cover Utilities and Rent/Lease expenses
- Payroll--hire new employees or retain to support business growth
- Introduce new items or restock inventory, product lines, or services to drive revenue
- Replace outdated equipment with newer models for the business
- Increase Technology Access/Upgrade
- Related costs to ensure safe work environment (equipment, training, supplies, professional cleaning)

APPLICATION COMPLETION

Your application is **not** considered complete unless the “Authority to Verify Credit Information” and “Certification and Assurance” Forms have been signed as a wet copy and required attachments have been submitted. Once completed, print the application for your record. Once submitted, a CDBG staff member will contact you by email or phone regarding your signature and required attachments.

VERIFICATION PROCESS

Once the entire application (including the required documents) have been received, staff will process the application. If incomplete, the entire package is returned to the Applicant by the CDBG Staff member with a note of what is missing and must be completed in order for the application package to be reviewed. With online submissions, if all documentation is not submitted the file will be marked pending until all the correct documentation is received. In processing the applications, staff will verify the household income, the number of employees, negative impact related to COVID-19, insurance, mortgage, lease, liens, judgements, title, net annual business income, duplication of benefits, etc. It could possibly take up to 3 to 4 weeks to complete the entire verification process.

If your application is approved, you will receive a letter with the award amount. If your application is rejected for any reason, you will receive a letter notification explaining why.

EXCLUSIONS

You can still apply, but you cannot submit any expenses or loss of revenues previously reimbursed by any State or Federal CARES Act funding, CDBG Grants, PPP Grants or Loans, private insurance or any other COVID-19 relief programs.

FINALIZING YOUR APPLICATION

Please review, sign, and submit the application. Until you have signed the “Authority to Verify Credit Information” and “Certification and Assurance” Forms as a wet copy in the CDBG Department located at 100 N. Martin Luther King Jr. Avenue - 3rd Floor of Waukegan City Hall, your application is **NOT** considered complete.

CONFLICT OF INTEREST

Current elected officials, directors, officers, employees and contractors of City of Waukegan and such individuals' family members (spouse, parents, children, grandchildren, great-grandchildren,

and spouses of children, grandchildren, and great-grandchildren) are not eligible to apply or seek an award unless identified, disclosed, and managed. No county or city, officials should be involved directly or indirectly with the business applicants in their jurisdiction. Conflict of interest arise when elected officials, staff, or board members stand to benefit either directly themselves or indirectly through business partners or relatives from awarding or contracting of grant funds. Grantees are encouraged to avoid conflicts of interest to the extent possible. When conflicts arise, grantees must identify, disclose, and manage them in compliance with applicable rules and regulations. The City of Waukegan CDBG Department shall identify, disclose, and manage all real and apparent conflicts of interest through elimination, mitigation, or waivers.

DUPLICATION OF BENEFITS

A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. The CARES Act requires HUD to ensure that there are adequate procedures in place to prevent any duplication of benefits as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 42 U.S.C. 5121 et seq.) and all applicable Federal Register notices, including FR-6218-N-01. HUD requires each grantee to have procedures in place to prevent the duplication of benefits when it provides financial assistance with CDBG-CV funds. Grant funds may not be used to pay for a cost if another source of financial assistance is available to pay for the same cost. This certification must be completed by any sub recipient, individual or family, business, direct beneficiary, or other entity that receives assistance and serves to document compliance with the CARES Act requirement to ensure that there are adequate procedures in place to prevent any duplication of benefits as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 42 U.S.C. 5121 et seq.) and all applicable Federal Register notices, including FR-6218-N-01.

The Community Development Block Grant-CV Funds, awarded to the City of Waukegan through the Coronavirus Aid, Relief and Economic Security Act (CARES Act) does not duplicate/replace any other funds, and/or any funds from the following sources:

1. The Paycheck Protection Program
2. Unemployment compensation benefits
3. Insurance claims/proceeds
4. Federal Emergency Management Agency (FEMA) funds
5. Small Business Administration funds
6. Other Federal, State or local funding
7. Other nonprofit, private sector, or charitable funding.

Further, this executed certification serves to acknowledge that any sub-grantee, sub recipient, individual or family, business, direct beneficiary, or other entity understands and agrees that the CDBG-CV funds must be repaid if it is determined that such assistance is determined to be duplicative.

FOR MORE INFORMATION

The application is available in both paper and electronic form. You can find the electronic form at: <https://www.waukeganil.gov/116/Block-Grant-CDBG>. The application can be submitted and

printed online electronically, however the “Authority to Verify Credit Information” and “Certification and Assurance” Forms must be signed with a wet signature and submitted to the CDBG Department.

For more information, you can contact Laraesa Garland or Sharon Zavala. We can be reached at:

Website: www.waukeganil.gov

Email: CDBG@waukeganil.gov

Phone: (847) 599-2530