

City of Rio Rancho

Small Business/Micro-Enterprise Assistance Program

Program Guidelines

The City of Rio Rancho has developed an emergency relief package for small businesses and micro-enterprise businesses located within the City of Rio Rancho that are in jeopardy as a result of COVID-19 public safety measures. This program is funded through the U.S. Department of Housing and Urban Development CDBG program. Assistance is in the form of a performance grant. In the event that conditions established in the grant agreement are not met, the grant then becomes a loan at zero percent interest. Based on unprecedented requirements for social distancing, businesses have seen a dramatic decline in revenue. This funding is projected to assist the business for up to three months and is feasible for that period. Based on documentation received from the applicant, the maximum amount of this grant shall not exceed **\$5,000.00** for micro-enterprises with 5 employees or less and small businesses with up to 10 employees. This grant shall not exceed **\$10,000.00** for small businesses that employ eleven or more employees. We do not anticipate these funds will result in profit, but will assist the business to sustain its fixed costs during this crisis. Grants will only be made payable if the business owner fails to fulfill their commitment to rehire employees after the health crisis is over or if terms of the grant agreement and documentation requirements are not met. Certain eligibility criteria must be met in order to be eligible for this funding source.

Eligibility:

- Must be a City of Rio Rancho business impacted by the COVID-19 self-isolating period, such as restaurants, coffee shops, bars, entertainment, and retail or other service providers
- Must have documentable decline in revenue. This can be a self-certified letter detailing volume of business loss and impacts
- Must be a micro-enterprise business with five employees or fewer AND owner earning 80% of Area Median Income, OR
- Be a small business that employs between 6-10 employees, with at least one employee in jeopardy of losing their job, AND a commitment to hire employee(s) back within 6 weeks of the end of the COVID-19 self-isolating period, OR
- Be a small business that employs between 11-40 employees, with at least one employee for every 10 employees in jeopardy of losing their job, AND a commitment to hire at least one employee for every 10 employees back within 6 weeks of the end of the COVID-19 self-isolating period
- For micro-enterprise businesses, must provide documentation that the business owner submitting the application is a low/moderate income individual (see attached income

guidelines); or the small business must provide evidence that at least one (1) low/moderate income employee is being retained as a result of receiving grant funds

- For micro-enterprise business applicants, liquid assets (cash or cash equivalents) on hand must not exceed ten thousand dollars (\$10,000.00). Priority will be given to business applicants with less than two months operating expense cash or cash equivalent on hand
- Must be an established business in operation for a minimum of one year
- Must possess a current valid business registration/license with the City of Rio Rancho
- Real Estate, Multi-Level Marketing, Cannibus, Adult Entertainment, Firearm, and Social Club businesses are not eligible for funding.

The proceeds of the performance grant shall be used only for expenses of the project as shown below:

Working capital for existing business to assist in surviving the unknown duration of the COVID-19 Health Crisis. The following is a list of eligible uses of this capital:

- Business lease or mortgage payments (residential mortgages are not eligible)
- Business utility payments (residential utility payments are not eligible)
- Business monthly debt payments
- Business payroll
- Business inventory expenses

The following is a list of prohibited uses of this capital:

- Acquisition of new property
- Construction/repair of existing/new property
- Reimbursement will not be made for expenses already paid

Business Applicants are required to provide the following documentation within 30 days of receiving grant funding (forms provided by the City):

- Documentation of how the funds are spent evidenced through invoices, receipts, cancelled checks or copies of bank statements, or any other documentation requested by the City
- Micro-enterprise certification form(s) as applicable
- Job Retention certification form as applicable

The City plans to disburse funds in one installment after receiving required documentation and securing an executed agreement between the City of Rio Rancho and the business applicant.