

GENERAL FRAMEWORK
Dallas County Microbusiness COVID-19 Relief Grant Program

PURPOSE: The program is designed to rapidly provide financial assistance to “micro” small businesses with under five employees that have less than \$61,870 gross income and have been adversely affected by the current pandemic. Help re-start small micro-businesses that have closed during the pandemic and support those who have experienced economic downfall during the pandemic.

EMPHASIS/TARGET POPULATION:

- Self-employed workers, independent contractors, sole proprietors, and corporations with no more than 5 employees in the 2019 & 2020 taxable years
- Currently have no more than 5 employees
- Gross Annual Revenue under \$61,870 (as reported for 2019- 2021)
- In operation before May 1, 2022, or have been in existence for 60 days before application and still in operation in 2022
- Microbusiness was the primary source of revenue for the business owner
- The microbusiness owner is the majority owner and manager of the qualified microbusiness

REQUIRED DOCUMENTATION:

- Government-issued photo ID (e.g., Driver’s License, State ID, Passport, Green Card)
- Signed IRS Form w-9 (current copy within 6 months)
- 2019-2021 Business Tax Returns or Personal Tax Returns, including a Schedule C, “Profit and Loss from Business” statement

JUSTIFICATION: Across the U.S., small businesses that form the economic backbone of their communities now face immediate – and oftentimes, crushing – financial pressure due to COVID-19. Many forced to shut down temporarily are at serious risk of never reopening. Even those that can still operate remotely face major revenue shortfalls. With little or no reserves to pay their expenses, many will have no choice but to lay off workers and close their doors forever.

Microbusinesses that face systemic barriers to access capital (including businesses owned by women, minorities, veterans, individuals with limited English proficiency, business owners located in low-wealth and rural communities, and others) will be encouraged to apply for the grants.

Hundreds of Dallas County minority-owned small micro-businesses have had to close due to the pandemic and economic hardships. It has been estimated that only about one-half of America’s small businesses were able to apply for federal assistance before that first round of funding was committed and that 80% of them still do not know if their application was approved. With 53% of the nation’s jobs coming from businesses with less than 100 employees and with many of these jobs being disproportionately held by low/moderate income people with already limited resources, much of the local economy is at great risk.

Microbusinesses faced greater difficulty accessing credit than prior to the pandemic and faced increased costs in starting up or staying open costs.

Start-Up Businesses (During the pandemic): Businesses started during the pandemic, since March 2020, and who have been in existence for at least 60 days prior to the time of their application will be allowed to apply based on 2020 or 2021 tax documents or documentation showing costs experiencing loss or reduction from closed doors or reduced hours during the pandemic.

TOTAL ALLOCATION: The total proposed cost of this proposal will start at \$2 million/400 businesses and will be monitored by staff with the intent of increasing the amount based on community needs. The amount will be charged to the COVID-19 fund and project established for this event. The program will be charged to the fund and project established for this event, and funding will come from direct relief assistance provided by the Coronavirus State and Local Fiscal Recovery Funds as provided by the American Rescue Plan Act (ARP - Fund 464).

ASSISTANCE TO BE PROVIDED/ELIGIBLE USES: A maximum amount of \$5,000 in the form of a grant will be provided under this program. The amount provided to a firm will be used for the following items: Supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utility costs, and other operating costs. Technical assistance, counseling, and other services to assist with business planning needs. Capital investments such as rehabilitation of commercial property, storefront improvements, and transportation supports. Also, additional support to operate the business, including financial, childcare, and transportation.

INITIAL EXPECTATIONS: It is anticipated that once the program becomes operational, its initial allocation will be committed within 120 days.

APPLICATION/ALLOCATION PROCESS: Applications will only be taken online and by phone (M-F). Fully completed applications will be processed on a first come-first serve. These initial allocations may be revised based on actual demand.

PROGRAM ADMINISTRATION: The program will be administered by County staff.

ELIGIBILITY AREA: For eligible businesses located within Dallas County but not within the City of Dallas, as that city has a similar program.

ELIGIBILITY CRITERIA:

- Be officially registered with the State, physically located, and operating within Dallas County (excluding the City of Dallas);
- Be current in the payment of all Dallas County and local taxes;
- Have had no more than five (5) employees as of May 1, 2022;
- Have an Annual Revenue under the median Dallas County household income of \$61,870 (as reported for 2019 or 2020); and
- Have closed during the pandemic due to COVID-19 and income-related loss.
- Have not received prior assistance from any Dallas County Emergency Business Assistance Programs.
- Must have been in existence for 60 days before application and still be in operation in 2022.
- Microbusiness was the primary source of revenue for the business owner.
- The microbusiness owner is the majority owner and manager of the qualified microbusiness.
- Demonstrated decline in revenue or service demand/business opportunity loss due to COVID-19 in 2020 or 2021 as compared to 2019 or 2020 (10% minimum loss) and/or have documentation

that shows business expenses related to start-up costs, such as COVID-related payroll, signed leases, capital commitments, childcare expenses, Personal Protective Equipment (PPE), etc.

- Tax-exempt businesses and age-restricted businesses are not eligible under this program.

ELIGIBLE USES:

- To mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example, by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utility costs, and other operating costs.
- Implement COVID-19 prevention or mitigation tactics.
- Technical assistance, counseling, or other services to assist with business planning needs, including for small businesses, startups, and microbusinesses.
- As noted above, a recipient could assist small business startups or microbusinesses with additional costs associated with COVID-19 mitigation tactics; see the section Public Health for details on these eligible uses.

DOCUMENT REVIEW PERIOD:

Applications and backup documentation will be reviewed for completeness. If an application is found incomplete, notice will be given to the applicant of missing documentation, and they will have ten (10) business days to submit missing documentation.

Meeting this criterion does not obligate the County to provide assistance to any firm. Also, employees of Dallas County are not eligible for assistance, nor are franchises, non-profits, entities whose primary revenue is derived from rental/income-producing properties, persons/entities who are a party to a lawsuit against the County, or who have been a party to a contract with the County that has been terminated in the past thirteen months because of insufficient performance. Owners of multiple businesses will only be eligible for one award.

METRICS: Program staff will provide assistance to eligible recipients within four to six weeks of a completed application. Grant award recipients may be required to provide financial information six (6) months after they have received funds, including profit statements, payroll, taxes, etc.

REPORTING: Program staff will provide monthly reports including total applications, total awards, recipient's business name, and fund balance remaining.

SPECIAL PROVISIONS: Because of the program's mission to rapidly provide assistance, the program will have the following special provisions:

- The County Administrator will have the authority to revise any of the program's policies, allocations, rules, and terms provided he informs the Commissioners Court within twenty-four hours of the proposed change. He does not, however, have the authority to unilaterally provide additional funding to the program. Should the County Administrator revise a component of this program and sufficiently informs the Court, the Court still retains the right to formally rescind, reverse, alter, or adopt the revision.