



CITY OF EL MONTE

SMALL BUSINESS GRANT PROGRAM

Eligibility Checklist

ABOUT THE EL MONTE SMALL BUSINESS GRANT PROGRAM

The City of El Monte's Small Business Grant Program offers one-time \$10,000 grants to help businesses retain staff and continue to provide quality services to its residents. The grant program is made possible with federal Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD), therefore businesses must meet all requirements to be eligible for the program. Please review all requirements below before submitting your grant application.

ELIGIBILITY REQUIREMENTS

Applicants must meet the following criteria to be eligible to apply:

- Business must be physically located within El Monte city limits
- Business has a current business license in the City of El Monte
- Business must employ less than 20 employees, including the owner(s)
- Business must provide three (3) most recent months of bank statements
- Business has been operational for at least six (6) months
- Business cannot have previously been awarded small business grant by City of El Monte
- Provide or obtain a *cost-free* Unique Entity ID (UEI) Number (Sam.gov)
- Submit all required documents (See *Required Documents* Section on page 2)
- Meet **one** of the following criteria below:
 - The service activity of the business is primarily residential, where at least 51 percent of the residents are LMI persons, and the business' services meet the needs of the service area residents. If the commercial district is composed of stores and businesses that serve local customers that meet the LMI then it qualifies
 - Currently employ and retain at least one low-and moderate-income (LMI) person or in the case of staff turnover, have the identified position filled by LMI person (see details below) **and** demonstrate that without grant assistance the job would be lost

INELIGIBLE BUSINESSES

- Business that do not currently employ LMI Persons **OR** that are in a census tract, block group that does not service LMI persons
- Due to federal funding restrictions, businesses that fall into the following categories: gaming, liquor or tobacco stores, marijuana dispensaries and manufacturing, and any business or activity that does not comply with local, state or federal laws.

ELIGIBLE USE OF FUNDS

Awarded funds are intended to help businesses retain staff and continue to provide quality services to the residents of El Monte. Use of funds is at the business owner's discretion. Below are some examples of eligible activities, please note this list is not meant to exhaustive.



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- Overhead expenses
- Rent and utilities
- Business services (web site development, etc.) to increase capacity to carryout business activities
- Labor expense (excluding the owner), business inventory and supplies
- Capital or equipment purchases necessary for the business operation, excluding vehicles.

INELIGIBLE USE OF FUNDS

Funds may not be used for the following activities:

- Personal property
- Repayment of refinance of existing debt or to pay operating deficits tax arrearages, governmental fines or penalties or general government expenses
- Personal income or emergency situations
- Political or religious activities, lobbying or any activity prohibited in the CDBG regulations in 24 CFR 570

GRANT REQUIREMENT: MEETING A NATIONAL OBJECTIVE

All CDBG-funded activities must meet a CDBG program national objective. The national objective for this program is to retain jobs and/or benefit areas with low-and moderate- income (LMI) persons. To be eligible for this grant, the business must meet at least one of the following criteria.

- Low Mod Area Benefit (LMA)** – activities that benefit a residential neighborhood and all residents in an area where at least 51 percent of the residents are LMI persons. **The El Monte Business Resource Center can help determine if your business meets these criteria.**

The applicant must satisfy the following LMA national objective requirements:

- Meet Test – 51% of LMI Persons residing in the service area. Businesses that serve a national and international clientele will not qualify under the LMA national objective.
- Service Area – Service area must be primarily residential.

- Low Mod Job Retention (LMJ)** – activities designed to retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be held by LMI persons. If the commercial district is composed of stores and businesses that serve local customers that meet the LMI then it qualifies. **The El Monte Business Resource Center can help determine if your business meets these criteria.**

The applicant must satisfy the following LMI national objective requirements:

- LMI Information – provide documentation showing the jobs are held by LMI persons **OR** steps will be taken to ensure that jobs will be made available to LMI person during expected turn over within the following two years.
- A business meets the criteria for LMJ, if they meet one of the following below:
 - Identified LMI staff reside in an eligible census tract with at least 70 percent LMI persons.
 - The business is in an eligible census tract (requirements below) and the job will be located within that same census tract.



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ONGOING MONITORING

If awarded the grant, the business agrees to participate in ongoing Federally required monitoring. The business will be required to submit supporting documentation after two months to demonstrate that grant funds are being used as intended. Requested documents may include purchase receipts, employee payroll, lease agreement and receipts, etc.

If a business finds it necessary to change their intended use of the funds, they **MUST** seek APPROVAL from the City in writing before making any changes and submit an updated itemized lists of business expenses.

REQUIRED DOCUMENTS

For an application to be considered complete, all listed documents must be submitted:

- Completed and fully signed Application
- Either Attachment A **OR** Attachment B and all supplemental required documents
- Report of Wages Form DE 9C, or Payroll Records
- Proof of loss of revenue documentation shown in tax returns for 2024 and 2025
- Supporting documentation for all items/expenses
- [Form W-9 Request for Taxpayer Identification Number and Certification](#)

Please direct any questions to:

El Monte Housing Division

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