

Palmdale Business Assistance General FAQs

Latest Update: July 19, 2020

General Questions

1. What is the maximum amount of funds available?

The BA program will provide grants up to \$10,000 to microenterprises that were adversely impacted by the COVID-19 pandemic.

2. What is the difference between a microenterprise and a small business?

A microenterprise is defined as a business with five (5) or fewer employees including the owner and the owner's family income is less than the 80% of the area median income (adjusted for family size). Income guidance is included in the application and program guidelines.

A small business is a business with 49 or fewer employees and does not qualify as a microenterprise.

Both micro and small businesses must meet additional eligibility requirements summarized in the guidelines and application.

3. What may the funds be used for?

Eligible expenses for this program include: rent, payroll, utilities (gas/electricity only), purchase of Personal Protective Equipment (PPE), and business services to increase capacity for curbside pick-up, delivery or takeout services (e.g. point of sale system).

4. Are certain business types not eligible for this program?

The following business types are **not** eligible for the Business Assistance program:

- Businesses located outside of the City of Palmdale boundaries
- Nonprofit entities
- Passive businesses (i.e. rental property or other business in which one does not actively participate)
- Government organizations
- Businesses that limit patrons to 18 and older

5. My business is not required to maintain a business license according to California law. Am I still eligible to apply?

Yes, you may still apply if your business is not required to have a business license based on State or local regulation. You should provide a note indicating this as part of your application.

6. I am a sole proprietor and do not have an EIN and instead use my social security number. Am I still eligible to apply?

Yes, if you are a sole proprietor and do not have an EIN, you can use your social security number in lieu of the EIN. You should include a note in your application indicating that you are using your social security number.

7. Do my employees have to be residents of Palmdale for businesses to qualify for this program?
No, geographic eligibility is based on the business being located within the City of Palmdale.

8. If my business has been approved for or received financial assistance from another federally funded grant or loan program, such as the Paycheck Protection Program (PPP), is my business ineligible?

Not necessarily. However, federally funded programs, including the CDBG program and the funding provided through the CARES Act, must comply with Stafford Act restrictions preventing duplication of benefits. In short, you cannot receive federal financial assistance and use it to cover the same expenses for the same timeframe. You can receive and use federally funded financial assistance from separate sources and use it for different expenses and/or similar expenses covering a different timeframe.

9. How do I obtain a DUNS number?

Applicants can sign up for a DUNS number at the Dun & Bradstreet website (<https://www.dnb.com/duns-number/get-a-duns.html>). The website has a Chat feature that can provide guidance or the applicant can call 844-597-8410 for assistance.

10. What is the California Employment Development Department DE-6 form and is it a required document to apply for the Business Assistance Program?

The DE-6 form is a Quarterly Wage and Reporting form and is NO longer a required document when applying for the Business Assistance Program.

Microenterprise Assistance

1. Are microenterprises required to create or retain jobs as a term of this grant?

No, microenterprises are not required to create or retain jobs as a term of the business assistance program. Microenterprise eligibility is determined by confirming that the business meets the definition of a microenterprise (5 or fewer employees including the owner and the owner's income is at or below 80% of area median income (adjusted for family size)). For more guidance on eligibility requirements for microenterprises, please see the guidelines or application.

Small Business Assistance

1. What is the job creation/ job retention requirement?

As a term of the business assistance program, each assisted business is required to create or retain at least one full-time permanent job. At least 51% of jobs created or retained must be held or made available to low- or moderate-income employees.

2. What is a retained job?

To be considered a retained job, the business must provide documentation indicating that without the BA grant, the job would have been lost.

3. What is a low- to moderate-income employee?

A Low- to Moderate-Income (LMI) employee means an employee whose family income (adjusted for family size) is 80% of the 2020 HUD Section 8 Program Annual Income Limits for the Los Angeles, Long Beach, Glendale Metropolitan Statistical Area (MSA). Additional guidance on income limits is included in the guidelines and application.

4. How do I confirm if a retained employee is low- or moderate-income?

After the City has completed its initial review of an application to confirm general eligibility, the City will support the business and employee in completing the job retention form, in which the employee will certify their current income level. Employees **cannot** be required to complete this form. The City will also provide additional guidance to these businesses on other ways the LMI benefit can be demonstrated, as summarized in the program guidelines.