



## LA County Small Business Rent Relief (SBRR) Frequently Asked Questions (FAQs)

### PROJECT ELIGIBILITY

#### 1. What is a Qualified Small Business Tenant (QSBT)?

- A person or entity that operates or has operated in the past 24 months an independently-owned and operated business that has its principal place of business in the unincorporated area of Los Angeles County.
- Business must have been located at a brick and mortar location as of June 22, 2019.
- Business must be open at time of application submittal.
- Have an annual average number of nine or fewer full-time equivalent employees.
- Have annual total gross revenues of no more than \$1 million.
- Demonstrate a gross revenue loss of at least 25% over a 12-month period falling at least in part within the period of the County's COVID-19 emergency order.
- Additional criteria as outlined within the project guidelines will also apply.

#### 2. How do I know if my business is located in an unincorporated area of Los Angeles County?

Please refer the mapping tool at the following link:

<https://lacounty.maps.arcgis.com/apps/instant/lookup/index.html?appid=9d20879a1db945b5a6cd7deeacff25be>.

For more information on the unincorporated areas of Los Angeles County, please visit:

<https://lacounty.gov/government/about-la-county/unincorporated-areas/>.

**3. My business has locations in Los Angeles County and other counties. Do I qualify for a SBRR grant?**

Maybe. The business location for which you apply must be located in the unincorporated area of Los Angeles County and must also meet other project eligibility criteria. Only eligible rent expenses related to the unincorporated Los Angeles County location will be used to calculate the grant amount. Should your financial records combine multiple locations, you will be asked to submit additional documentation to substantiate expenses attributable to the business located in the unincorporated area.

**4. I own multiple businesses. Can I apply for funding for all businesses?**

No. Only one application per QSBT will be entertained. Additionally, only one application per principal with 20% or more shared ownership.

**5. Does my business need to have been in operation and located in unincorporated Los Angeles County for a certain length of time?**

To qualify, a business needs to have been in operation and located in unincorporated Los Angeles County on or before June 22, 2019. Businesses must be located at the same brick and mortar location at a minimum of 24 months as of June 22, 2019. You may provide proof in the form of your business's formation documents, signed and dated lease, utility statement, a dated permit, or other similar documentation.

**6. Are non-profit organizations eligible?**

Yes.

**7. Are home-based businesses eligible?**

No. Your business must have a commercial brick and mortar location with third party rent payable.

**8. What is the definition of third party rent payable?**

Third party rent payable is rent owed to an unrelated and unaffiliated third party. Mortgage assistance is not eligible.

**9. My business is still closed due to the pandemic, can I still apply for a SBRR grant?**

No. Businesses must be open at time of application submittal.



**10. Are there maximum size requirements for my business to be eligible for a SBRR grant?**

Yes. Eligible businesses must have annual total gross revenues of no more than \$1 million and also must have an annual average number of nine or fewer full-time equivalent employees. Full-time equivalent employees are defined as 40 hours per week.

**11. Do 1099 independent contractors count as employees for the size standard?**

No. Only W-2 employees as reported on the IRS form 941 count towards the calculation of the average number of full-time equivalent employees for this project.

**12. My business received PPP/EIDL funding. Am I still eligible for a SBRR grant?**

Yes. Businesses that received PPP, EIDL, and/or CARES Act funding are eligible for the SBRR grants. However, businesses cannot seek funding for the same expenses (for the same time period) for which the business previously received other government assistance.

**13. My business received funding from another Los Angeles County small business grant program. Am I still eligible for a SBRR grant?**

Maybe. Businesses that have already received assistance from other Los Angeles County American Rescue Plan Act-funded projects, ARE NOT eligible for this project. Businesses must state if they have received other financial assistance during the COVID-19 pandemic and how such financial assistance was utilized.

## REQUIRED DOCUMENTS

**14. What documentation do I need for proof of the existence of my business?**

Organizational documents of the QSBT are required as follows:

- **Sole proprietor:** Fictitious name filing, if applicable.
- **Corporations:**

- Filed State of California Secretary of State Statement of Information (SOI) showing all officers. Provide copies of all filed amendments to the SOI. Two officers will be required to sign the Grant Agreement.



- **Limited Liability Companies (LLC):**

- State of California Secretary of State SOI (Limited Liability Company) forms LLC-1 and LLC-12, and LLC-2, if applicable.

- **Operating Agreement**

- **Trusts:** Provide a copy of signed and notarized Trust Certification.

- **Partnerships:** Provide a copy of the signed Partnership Agreement.

- **Non-profits:** Provide a copy of your IRS exemption letter.

In order to issue grant award payments directly to the QSBT in a timely manner, it is imperative that applicants submit applications with information that matches what has been filed with the State of California Secretary of State. To file a SOI, please visit: <https://llcbizfile.sos.ca.gov/SI>. Please plan accordingly and consider filing electronically when possible. Please see the Secretary of State's website for processing timeframes.

## **15. How do I show proof that my business is currently open and located in unincorporated Los Angeles County?**

Businesses must provide a valid business license reflecting a business address located within the unincorporated areas of Los Angeles County. If a current license is not available, an expired business license with proof of renewal payment made will be acceptable. For those that need assistance with business licensing please visit: <https://ttc.lacounty.gov/business-license-general-information/>.

## **16. Do I need to provide tax returns?**

Yes. A QSBT must provide all pages of signed IRS and State Corporate (1120 or 1120S) or Partnership (1065) Tax Returns for 2020. Sole proprietors, single member LLCs, and/or disregarded entities must provide all pages of signed IRS and State Individual (1040) Tax Returns including Schedule C for 2020. Non-profit organizations must provide all pages of signed IRS and State Tax Returns (990) for 2020.



### **17. Why do I need to submit a tax return?**

Your tax return demonstrates that you have been following the formalities of operating a legitimate business operation. Additionally, the grant underwriter will review your tax return to: (1) verify business ownership, (2) verify that your annual gross revenue is under \$1 million, and (3) determine if your business's rent expenses roughly align with the rent expenses included in your eligible uses of funds.

### **18. Why do I need to submit government-issued photo identification for all QSBT principals with 20% or more ownership?**

In order to verify the validity and existence of the person signing the grant agreement as owner or principal.

### **19. Why do I need to submit IRS Form 941 for Quarter 3 of 2021?**

In order to verify an annual average number of nine or fewer full-time equivalent employees per the project size standard.

## **DOCUMENTATION OF EXPENSES**

### **20. What are eligible rent expenses?**

Eligible uses of funds are past due rent only starting from March 4, 2020.

### **21. What type of documentation is required to support past due rent expenses?**

An applicant business may provide support for eligible rent costs in the form of a fully executed rent or lease agreement between Landlord and QSBT. Additionally, a current invoice or rent statement showing current amount rent owed from March 4, 2020, to the present, is required. No grant funds will be provided for rental debt owed prior to March 4, 2020. Additionally, all grantees must submit a signed copy of Notice to Landlord of Inability to Pay Rent Due to COVID-19, which can be found at <https://dcba.lacounty.gov/wp-content/uploads/2020/04/Self-Certification-4.21.20.pdf>.

### **22. My landlord has allowed me to defer payment of my rent. May I claim my deferred rent as an eligible rent expense?**

If your rent expense has been deferred, but not forgiven, you may claim it as an eligible past due rent expense. Please make sure to upload documentation of the deferral agreement.



## GRANT AWARDS

### **23. What is the maximum grant amount?**

Up to \$40,000, based on actual past due rent only starting from March 4, 2020, as verified by a current invoice or rent statement showing current amount of rent owed.

### **24. What is the minimum grant amount?**

The minimum grant amount is \$5,000. Your business **MUST** have actual documented past due rents from March 4, 2020, to the present, totaling an amount of at least \$5,000 to be eligible for the project.

### **25. How long do I have to submit the required documentation?**

QSBTs will be given a maximum of 15 business days to provide any missing information. Failure to provide needed documentation will constitute forfeiture of application. It is expected that QSBTs respond to any communication efforts within two days of receipt of a call or email. QSBTs failure to respond will constitute forfeiture of application.

### **26. How soon will these grants be awarded?**

The SBRR administrators will work to award grant funds as quickly as possible. Applications will be reviewed in the order determined by the equity lens requirements as well as the lottery system. Applicants who have submitted complete applications and responded to all questions from the grant processor and underwriter should expect to be notified of their award within two weeks of their application being deemed complete. Grant funds will be disbursed directly to QSBT.

### **27. Will I be notified if I am not selected to receive a grant?**

Yes. At the close-out of the SBRR, the grant administrator will notify all applicants who were not selected to receive a grant.

### **28. Will I have to sign anything to receive funds?**

Yes. You will be required to sign a Grant Agreement and a Transfer of Funds form. You will digitally sign both documents in the online application platform, Survey Monkey Apply (SM Apply).



### **29. Who makes the grant award decisions?**

Grant award decisions are made objectively by a third-party administrator based on a pre-determined set of application criteria.

### **30. Will an IRS Form 1099 be issued to businesses that receive a grant?**

Yes. An IRS Form 1099-MISC will be issued to each business that receives a grant.

## **APPLICANT SUPPORT**

### **31. Why does SM Apply repeatedly ask you to mark the task as “complete” and verify it again?**

SM Apply is designed to automatically save your application whenever you enter new data so that you never lose information. You will need to mark each task as complete as you move through the application. Once all tasks have been marked as complete with green check marks in your application, you will have a final chance to review everything before you officially submit your application.

### **32. Who can I call if I have general questions about the project guidelines?**

Please contact the grant administrator at [LACountySBRR@ndconline.org](mailto:LACountySBRR@ndconline.org) or call toll-free 626-210-4500.

### **33. I am having technical difficulties submitting my application in SM Apply. Who can help me?**

Log into your SM Apply account. Then click the icon with the large circle and “i” in middle in the upper right-hand corner of the page. Choose your question and area of support needed to see answers available in the FAQs in the Help Center. You may also email your question to the administrator or submit a support request for technical assistance by clicking the links provided. SM Apply Support Hours are Monday to Friday from 5am - 5pm PST, Saturday to Sunday from 7am - 3pm PST.

