



GUAM ECONOMIC DEVELOPMENT AUTHORITY

Small Business Rent Assistance **GRANT PROGRAM**



To assist the states and territories combat the economic impact of COVID-19, the federal government has directed money in direct aid to Guam under the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. As part of the CARES Act, the Government of Guam received \$117,968,257.80 in direct aid.

In an effort to provide relief to local small businesses during the COVID-19 pandemic, the Government of Guam has established the Small Business Rent Assistance Grant Program as mandated by Executive Order (EO) 2020-40. The Office of the Governor will allocate \$3,000,000.00 dollars to this program to provide direct assistance to Guam Small Businesses.

This grant program will provide rent assistance to small businesses to assist with their rent obligation caused by the COVID-19 pandemic. The Guam Economic Development Authority has been delegated the responsibility of administering the program.

I PROGRAM INFORMATION

II APPLICATION PROCESS

I PROGRAM INFORMATION

DEFINITIONS

Guam business: A person, partnership, corporation, limited liability company, association, or similar entity, that is primarily a food & beverage establishment, a small retail establishment, and/or personal care services establishment where services can only be rendered at that physical location; AND

i. That has a 2019 Gross Income based on their filed 2019 Income Tax of up to One Million Five Hundred Thousand Dollars (\$1,500,000); OR

ii. That has a 2019 Gross Income based on their filed 2019 Income Tax of more than One Million Five Hundred Thousand Dollars (\$1,500,000) that can be categorized using the U.S. SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS); AND

iii. Which has been licensed to conduct an income producing business on Guam since at least October 1, 2019 and has entered into a commercial lease with a landlord for a physical brick and mortar facility located on a parcel of real property located in Guam that serves as the sole location wherein products and/or specific direct services are offered for purchase and use by customers; AND

iv. Was subject to closures or restrictions during the Governor of Guam's declaration of a public health emergency pursuant to Executive Order 2020-04 and subsequent executive orders;

Commercial lease: A contract between a landlord and a Guam business for the use of real property to conduct an active, for profit business;

Common area charges: Any charges assessed by a landlord to a tenant, specified in a tenant's commercial lease, for the maintenance and upkeep of the common area of a property;

Landlord: A person or organization that owns a building or a parcel of real property and is paid rent by a Guam business for its use;

Rent: The amount paid by a business that engages in a commercial lease of real property to the landlord for the use thereof. The definition of "rent" shall not include any percentages charged by a landlord on the gross income of a tenant;

Rent deferral: An agreement between a landlord and a tenant to delay the payment of a portion of a specific amount of rent obligations until a later date;

Tenant: A business that occupies real property rented from a landlord;

Related business: A Guam business that owns, or is owned by, another company or are both owned by a third company or that share more than a 30% common ownership.

INELIGIBLE ENTITIES

The following entities shall not be eligible to receive rental assistance under this program:

- a) Government of Guam tenants;
- b) United States federal government tenants;
- c) Businesses that do not operate out of a brick and mortar location;
- d) Any healthcare business that is eligible to apply for a Healthcare System Stabilization (HSS) grant;
- e) Any Health Care Services;
- f) Wholesalers;
- g) Taxi Services;
- h) Home based businesses; and
- i) Professional service businesses, those that must obtain a professional license by a board or association tasked with certifying the ability of the licensee to conduct the business, such as but not limited to legal and administrative service businesses, with the exception of the Guam Board of Barbering and Cosmetology;
- j) Related businesses;
- k) Guam businesses that have a gross revenue based on their filed 2019 Income Tax of more than One Million Five Hundred Thousand Dollars that cannot be categorized using the U.S. SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS);
- l) Any business operating in Guam that is part of a national/international corporation that is wholly owned by said corporation. This shall not apply to locally owned and operated businesses with a national/international brand, such as a franchise or licensing agreement.

ELIGIBLE ENTITIES

The following criteria must be met for an applicant to be eligible under the program:

a) A person, partnership, corporation, limited liability company, association, or similar entity, that is primarily a food & beverage establishment, a small retail establishment, and/or personal care services establishment where services can only be rendered at that physical location; AND

i. That has a 2019 Gross Income based on their filed 2019 Income Tax of up to One Million Five Hundred Thousand Dollars (\$1,500,000); OR

ii. That has a 2019 Gross Income based on their filed 2019 Income Tax of more than One Million Five Hundred Thousand Dollars (\$1,500,000) that can be categorized using the U.S. SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS); AND

iii. Which has been licensed to conduct an income producing business on Guam since at least October 1, 2019 and has entered into a commercial lease with a landlord for a physical brick and mortar facility located on a parcel of real property located in Guam that serves as the sole location wherein products and/or specific direct services are offered for purchase and use by customers; AND

iv. Was subject to closures or restrictions during the Governor of Guam's declaration of a public health emergency pursuant to Executive Order 2020-04 and subsequent executive orders;

b) The Applicant can provide proof of past due rent obligation during the period of April through November 2020 or can provide evidence of ongoing difficulty in paying rent during the pandemic period (i.e. GRT, audited financials, etc); and

c) The Applicant has resumed business operations, or plans to resume business operations in the same location upon the lifting of the public health emergency declaration by the Governor of Guam, or within a reasonable time thereafter. If the applicant indicated NO on the application that they will not resume operation after the lifting of the public health emergency declaration, then the applicant is ineligible.

APPLICATION PERIOD

Applications will be accepted via email to rentassistance@investguam.com beginning at 8:00am on Wednesday, November 25, 2020. The grant deadline is at 5:00pm on Friday, December 11, 2020 and is subject to the availability of funds.

REQUIRED DOCUMENTATION

**Additional information may be required of the applicant*

- Grant Application
- Current Guam Business License
- Current Rent/Lease Agreement
- 2019 Filed Income Tax Return, Page 1 (stamped Received)
- Applicant Self Certification Form
- FORM SW-2 (June 2020)
**If 2019 Gross Income is above \$1.5 million*
- Month-ending April 2020 filed GRT (stamped Received)
**If rent obligation is current*
- Landlord Verification
**If rent obligation is in arrears*

AWARD AMOUNT

Grant awards shall equal to two months rent (base rent plus common area charges only), or fifteen thousand dollars (\$15,000), whichever is less.

RECONSIDERATION

Applicants who have had their applications disapproved may seek reconsideration based on the following:

- a) Applicants must submit a written reconsideration request, along with all necessary supporting documentation, which shall detail their reasoning as to why disapproval is not warranted. Requests shall be addressed to the GEDA CEO/Administrator and must be received no more than two (2) working days after the applicant's receipt of grant disapproval notice;
- b) The Program Manager shall assign appropriate staff to reevaluate the application to determine if any information was improperly evaluated. Applicant may be asked to provide additional information as needed;
- c) Reevaluation shall be provided to a committee for review, whose recommendation will be presented to the CEO/Administrator for final action; and
- d) Notice of final action by CEO/Administrator shall be provided to Applicant no later than five (5) working days from said action. Applications that have been reconsidered and approved for grant funding will be provided to DOA for check issuance based on the availability of funds.

GRANT CALCULATION

An applicant shall be deemed approved if it meets the following:

i. In the case of an Applicant that indicates that rent (base rent plus common area charges only) is due, approval shall be determined by verification of the monthly rent indicated in their provided lease agreement and landlord certification form.

ii. In the case of an Applicant that is current with rent, approval shall be determined based on business interruption, which shall be calculated using the following:

a. Applicant's 2019 gross income (as indicated in their 2019 income tax filing) divided by the total number of months in operation in 2019;

b. Applicant's gross receipt for month ending April 2020 is subtracted from the amount calculated in item a. above. **This is the business interruption amount.**

c. If the difference calculated in item b. above is equal to or greater than one month's rent (base rent plus common area charges) as detailed in their lease agreement, the Applicant shall be approved.

AWARD CALCULATION EXAMPLE

- A business with gross income of \$120,000 in operation for twelve months has an average monthly income of \$10,000 ($\$120,000 / 12$ months);
- The business has an April 2020 BPT (GRT) filing of \$7,500;
- Business interruption (BI) is $\$10,000 - \$7,500 = \$2,500$;
- Applicant's monthly rent (base rent plus common area charges) is \$2,000;
- BI of \$2,500 is greater than rent of \$2,000
- Applicant is **APPROVED FOR \$4,000** (*2x monthly base rent plus common area charges*).

II APPLICATION PROCESS

STEP 1

Download the grant application form found on the GEDA website at www.investguam.com/rentassistance.

STEP 2

Submit the completed application form and all required documents **via email to rentassistance@investguam.com**.

STEP 3

GEDA will provide a grant application number that will be posted on www.investguam.com/rentassistance.

STEP 4

If received complete, application will proceed to STEP 5. If incomplete, a GEDA grant manager will post application status on www.investguam.com/rentassistance listing pending document(s).

STEP 5

Notice of Grant Application Status will be issued via electronic mail.

STEP 6

If approved, grant award will be issued via check by the Guam Department of Administration (DOA).

GRANT PROGRAM HELP DESK

Website: www.investguam.com/rentassistance

Email: rentassistance@investguam.com

Phone Number: 647-4332