

Small Business Fee Credit Program Guidelines



Overview

Administered by the City of Sacramento's Office of Innovation and Economic Development, the Small Business Fee Credit Program provides qualifying businesses with up to \$2,500 in credits toward eligible City of Sacramento fees. The purpose of the program is to incentivize small business growth and expansion by defraying the cost of City fees.

Eligible Applicants

To be eligible, applicants must meet the following criteria:

I. Business Solutions Center Participation

- a. Created a City of Sacramento 311 business account and submitted a business resources request
- b. Received at least 5 hours of technical assistance from a City-contracted business counselor
 - i. Documentation must include a written attestation from the business counselor confirming:
 1. At least 5 hours of consultation
 2. The recommended fee credit addresses a valid business need

2. Be a For-Profit Business

- a. Legal Business Formation Requirements
 - i. Active [City of Sacramento Business Operations Tax Certificate](#)
 - ii. If home-based: Active [City of Sacramento Home Occupation Permit](#)
 - iii. If a sole proprietor doing business under a fictitious name: Active [County of Sacramento Fictitious Business Name Statement](#)
 - iv. If a corporation, LLC, or LP: Active and good standing with the [California Secretary of State Business Registry](#)
 - v. If selling taxable goods or services: Active [California Department of Tax and Fee Administration \(CDTFA\) Seller's Permit](#)
- b. Business Activity Verification
 - i. Applicants must show they have incurred legitimate and verifiable business expenses, such as:
 1. Selling goods/services for profit
 2. Paying employees or contractors (including owner-operators)
 3. Acquiring capital (grants, loans, personal investment)
 4. Covering operational expenses (rent, equipment, marketing, etc.)
 - ii. Documentation must include at least one of the following:
 1. CDTFA sales and use reporting
 2. Business tax returns

3. Business bank statements
4. Commercial lease agreement
5. Other valid business documents

3. Operate within City of Sacramento Limits

- a. Must have an operating address within [City of Sacramento limits](#)
- b. The City will verify the operating address using one or more of the following sources¹:
 - i. [City of Sacramento Business Operations Tax Certificate Database](#)
 - ii. [California Secretary of State Business Registry](#)
 - iii. [CDTFA Seller's Permit Registry](#)

4. Additional Requirement for Home-Based Businesses

- a. Home-based businesses must show at least \$25,000 in gross revenue from the past calendar year
- b. Documentation must include at least one of the following:
 - i. CDTFA sales and use reporting
 - ii. Business tax returns
 - iii. Business bank statements

Ineligible Applicants

The following applicants are not eligible:

1. Nonprofits
2. Businesses located outside Sacramento city limits
3. Businesses who:
 - a. Have not met legal business formation requirements
 - b. Cannot verify business activity, as defined in 2.b. above
4. Cannabis dispensaries, liquor stores, adult entertainment establishments, or casinos

Eligible Uses of Funding

Eligible City fees include:

1. Al fresco outdoor dining encroachment or building permit fee
2. Al fresco outdoor dining lease fee (for parking spaces or public right of way)
3. Business operations tax certificate

¹ If any of the three sources lists an operating or principal address located outside of City of Sacramento limits, the applicant is not eligible.

4. Conditional use permit
5. General or Limited Entertainment permit (initial application or renewal)²
6. Sign permit

The City reserves the right, at its sole discretion, to modify the list of eligible fees at any time.

Funding Parameters

Amount Appropriated

The City appropriated \$50,000 to fund this program.

Credit Request Amount

A credit request must be \$2,500 or less.

Payment Disbursement Method

The City will issue payment in the form of a credit against the beneficiary's fee payment and/or invoice. Therefore, the beneficiary will not receive a cash payment directly. Nor will the beneficiary have to execute an agreement with the City. The beneficiary must apply for and receive a credit prior to starting the City's permit/certificate process. The City will not entertain retroactive requests.

Rolling Application Window

The program will operate on a rolling basis with a monthly review process to occur until funds are exhausted.

Number of Credits per Applicant

Given the limited amount of funding available, the City will restrict one credit per small business address. The City also reserves the right, at its sole discretion, to limit the number of credits per single individual or organization with a financial interest.

² A Temporary Entertainment Permit is not eligible.

Prioritization Criteria

To meet the City’s diversity, equity, and inclusion goals, the City will use the following 10-point prioritization rubric when reviewing applications. The City reserves the right, at its sole discretion, to modify the criteria at any time.

| Priority Criteria | Preference Points |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Qualifies as a small business as defined by the California Department of General Services | 1 |
| Qualifies as a micro business as defined by the California Department of General Services | 1 |
| Operates out of a brick-and-mortar location | 1 |
| Operates at an address that is zoned commercial as defined by the Sacramento County Parcel Viewer | 1 |
| Operates at an address that qualifies as a 2025 or 2026 U.S. Department of Housing and Urban Development Qualified Census Tract | 1 |
| Operates at an address that qualifies as a Sacramento Promise Zone | 1 |
| Operates at an address that qualifies as an SB 535 Disadvantaged Community | 1 |
| Operates at an address with a CalEnviroScreen 4.0 pollution burden score of 60 or more | 1 |
| Operates at an address with a CalEnviroScreen 4.0 linguistic isolation score of 50 or more | 1 |
| Operates at an address with a CalEnviroScreen 4.0 housing burden score of 60 or more | 1 |

Since some census tracts are too small to have scores in all priority criteria categories, the City will total the points and divide by the number of available priority criteria categories to obtain a percent. Applicants earning 60% or more will be awarded a fee credit.

Unless facing a hardship or extenuating circumstance, applicants earning less than 60% will not receive funding. Applicants denied funding once cannot reapply for the same fee. The City reserves the right to determine what constitutes a hardship or extenuating circumstance at its sole discretion.

Application Process

To apply, applicants must submit an electronic application via the City’s Submittable platform. Applicants invited to apply will receive a link to the online application from either City staff or their City-contracted business counselor.

The following information and materials must be submitted:

1. Business Name:
2. Business Address:
3. City Council District (based on business address):
4. Applicant Contact Name:
5. Applicant Contact Email:
6. Applicant Contact Phone:
7. City Fee Name:
8. City Fee Amount:
9. Credit Request Amount (must be \$2,500 or less):
10. If Applicable, Upload Price Quotes/Estimates
11. Description of Credit Use, Why Needed, and How it Will Improve and/or Expand Current Business Operations:
12. If Applicable, Description of Hardship or Extenuating Circumstance:
13. Name of Business Counseling Organization:
14. Business Counselor Name:
15. Business Counselor Email:
16. Business Counselor Phone:
17. Upload Business Counselor Written Attestation ([download template here](#))
18. Self-Attestation that applicant qualifies as a small business as defined by the [California Department of General Services](#): Yes or No
19. Self-Attestation that applicant qualifies as a micro business as defined by the [California Department of General Services](#): Yes or No

Miscellaneous

Amendments

The City reserves the right to revise or amend any part of these guidelines by issuing an addendum up to the due date/time for submittal. If necessary due to the revisions or amendments, the due date for applications may be postponed.

Public Records

All applications and application materials are public records. All information received from an applicant, whether received in connection with a fee credit application or in connection with any fee credit funded activities performed, will be disclosed upon receipt of a request for disclosure pursuant to the California Public Records Act. Application scores are also subject to disclosure. The City reserves the right to use application materials as demonstration examples in future workshops.

Rejection of Applications

The City of Sacramento may, at its discretion, determine not to award any fee credit in response to this request or to negotiate with any recipient in any manner necessary to serve the best interests of the City. No applicant shall receive any compensation for preparing any fee credit application.