

BROOME COUNTY COVID RECOVERY FUND

Local Development Corporation (LDC)

Program Guidelines and Operating Criteria

PROGRAM OVERVIEW

In September 2021, the Office of Community Renewal (OCR), on behalf of the Housing Trust Fund Corporation (HTFC), awarded Broome County \$1,000,000 in New York State Community Development Block Grant (CDBG) Coronavirus Aid, Relief, and Economic Security Act (CARES) funding. The CDBG CARES program provides resources to communities to prevent, prepare for, and respond to the COVID-19 pandemic. Upon award, Broome County established the Broome County COVID Recovery Fund (CRF) to provide financial assistance to small businesses across Broome County adversely affected by the COVID-19 pandemic.

Broome County partnered with The Agency (Broome County IDA/LDC) to implement the program. Throughout the course of the pandemic, The Agency worked directly with many businesses to identify needs and assist them in obtaining various resources to meet those needs. The CRF will support a strong economic recovery and expand The Agency's ability to support businesses in need.

STATEMENT OF PURPOSE

The goal of this program is to provide small, for-profit businesses with 25 or fewer employees that have been impacted by the COVID-19 pandemic, with financial assistance to address improvements that support customer and staff safety and improve business resiliency related to future occurrences of the virus or other disasters.

The CRF will provide a one-time grant up to \$50,000 to help small businesses with operational and other eligible costs which were not previously funded by other public or private sources. The CRF will prioritize businesses that employ low to moderate income (LMI) persons, minority and women-owned business enterprises (MWBE), veteran-owned businesses, and businesses located outside of the CDBG Entitlement Areas in the city of Binghamton and Town of Union. Please note, businesses located in the county's CDBG Entitlement areas are not precluded from applying.

GOALS AND OBJECTIVES

The CRF will allow small businesses in Broome County with fewer than 25 employees, especially those that employ low to moderate income individuals, to access much needed capital to assist with operational costs and help their businesses adapt to new COVID-19 guidelines and protocols.

PROGRAM DESCRIPTION

The CRF is intended to support existing businesses in Broome County by offering a one-time grant for the purchase of machinery and equipment and/or working capital to assist with ongoing operational needs resulting from the COVID-19 Pandemic.

The CRF will issue grants **up to \$50,000** per business application. Applications will be accepted beginning January 1, 2022. The CRF will continue until funds are exhausted or until the grant agreement expires.

Grants will be reviewed and approved by the Advisory Review Committee (ARC). *Please note, the NY State Office of Community Renewal (OCR) will have input on eligibility of businesses, it is not solely determined by The ARC.*

The successful applicant must be able to document that the use of the funds will result in the creation or retention of at least one full-time equivalent (FTE, 40 hours is considered full-time) job in Broome County.

NATIONAL OBJECTIVE REQUIREMENT

Each project proposed for CDBG assistance must meet a National Objective as defined by HUD. For a majority of projects, this objective can be met by ensuring that at least 51% of the beneficiaries assisted are low-to-moderate income households and/or individuals.

Household Income (LMJ) – For economic development activities, at least 51% of the jobs created or retained must be held by or made available to low/moderate income persons. HUD allows a self-certification of household income. The CARES Act offers flexibility in that they consider an individual to be a household of one.

Special Rules for Retained Jobs: In order to consider jobs retained as a result of CDBG assistance, there must be clear and objective evidence that permanent jobs will be lost without CDBG assistance. For these purposes, “clear and objective” evidence that jobs will be lost would include:

- **Evidence that the business has issued a notice to affected employees or made a public announcement to that effect, OR**
- **Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.**

To meet the LMI jobs standard, 51% or more of the retained jobs must be known to be held by LMI persons at the time CDBG assistance is provided.

ELIGIBILITY

Businesses must meet ALL of the following criteria to qualify for grant award consideration:

GEOGRAPHIC AREA: CRF recipients must use grant proceeds in operations located within Broome County.

BUSINESS ACTIVITIES: The following are eligible for CRF funding:

- For-Profit Businesses
- Applicants who received a PPP Loan, and EIDL Loan or a Covid Emergency Loan are eligible to apply for assistance. For more information, see Duplication of Benefits.
- Twenty-five (25) employees or less: 51% of all employees must be at or below low to moderate income levels
- Businesses must have posted a minimum of a 1% loss due to the COVID-19 pandemic from the fiscal year 2019-2020
- All applicants must demonstrate need for funds while also providing documentation to show funds have been allocated for intended use.
- Must create or retain at least one (1) permanent job; 40 hours is considered full-time equivalent
- Must meet the National Objective established by HUD and ensure at least 51% of permanent jobs created or retained are reserved for LMI persons

Current and former members of the LDC Board, members of staff and members of the ARC are barred from CRF assistance. Grant activities which directly benefit individuals or people related to them by blood, marriage or law will be prohibited.

ELIGIBLE COSTS

CDBG-CV funds can only be used for activities that prevent, prepare for, and respond to the COVID-19 pandemic. Expenditures occurring after March 18, 2020 through September 1, 2022 are eligible for reimbursement. All expenditures must be reviewed and authorized by the ARC. Eligible activities may include:

- Furniture & Fixtures
- Machinery & Equipment, including purchase, delivery and installation and related costs
- Working Capital
- Marketing
- Payroll
- PPE
- Rent/mortgage
- Utilities
- E-commerce technical assistance
- Training expenses

CDBG is a reimbursement grant, meaning that businesses either spent the funds and then ask to be reimbursed or will send invoices directly to the The Agency for costs incurred. Supporting documentation, such as invoices and/or payroll documentation of labor, materials, equipment, services, and other expenses, must be submitted.

LEGAL REQUIREMENTS

All recipients of the CRF must comply with four contract provisions listed in [Chapter 4 of the Grant Administration Manual](#): Indemnification; Access to Records; Anti-job Pirating; and Compliance with all applicable Federal, State and local laws.

PROCEDURE FOR AMENDMENT

As necessary, the Advisory Review Committee (ARC) shall review the overall operations of the CRF program. When the need for change or modification of policy arises, the ARC shall submit such recommendations to the Local Development Corporation (LDC) Board of Directors of The Agency for review and subsequent action.

GRANT APPLICATION REVIEW

All grant applications shall be reviewed by the members of the Local Development Corporation (LDC) ARC. Said committee will provide recommendations to The Agency/LDC Board of Directors for final approval. OCR will have input on eligibility of businesses, it is not solely determined by the ARC and Board of Directors. Please note, submission of an application is not a guarantee of funding. CRF applications will be awarded on a rolling basis until funds are exhausted or until the grant agreement expires. All CRF applications will be reviewed based on the following criteria:

- How project helps business prevent, prepare for, and respond to the COVID-19 pandemic
- Number of jobs created/retained
- Project readiness
- Loss of income
- Eligibility of expenses
- MWBE businesses and veteran businesses

ENVIRONMENTAL REVIEW

Recipients of program funds are required to coordinate and cooperate with The Agency staff to complete an Environmental Review Record (ERR). An environmental review is required by HUD to be completed by the County for each business funded with CDBG funds (24 CFR 58). The review must be completed prior to any grant award. The level of environmental review is determined by the proposed use of the grant funds. The applicant will be informed of any additional application processing time due to the NEPA review. No costs will be charged to the applicant for this process.

DUPLICATION OF BENEFITS

Applicants may not use CDBG-CV funds for costs already fully covered by other sources. Applicants will be required to complete and attach a Duplication of Benefits form. Applicants will need to demonstrate loss and indicate any payments made by other agencies and/or private insurance. After those payments, any unmet need could be eligible for CDBG assistance.

AGREEMENT

All grant awardees will be required to enter into a CDBG-CV Grant Agreement with The Agency prior to issuance of grant funds.