

CITY OF WATERVLIIET SAVE OUR SMALL BUSINESSES PROGRAM DESIGN PLAN

PREFACE: PROGRAM ORIGIN AND ASSUMPTIONS

The City of Watervliet was awarded a Microenterprise Grant Program from the NYS Office of Community Renewal in 2019 support entrepreneurial small business creation in Watervliet. The COVID-19 crisis and the subsequent health and economic hardships began in February/March 2020 as Watervliet was setting up and rolling out the Microenterprise Grant Program for businesses in our town. The NYS Office of Community Renewal informed Watervliet that alternative grant programs could be developed using Microenterprise Grant funds to directly and quickly provide direct assistance for small business job retention. This new Program Design Plan is the description of the alternative program Watervliet is proposing to help save the small business in our community. Our focus is to get funding quickly to these small businesses before they must completely and permanently close and at the same time make sure that the grant program adheres to the CDBG National Objectives and assumes a grant process that adheres to the spirit and intent of these funds.

INTRODUCTION

The City of Watervliet Save Our Small Businesses Grant Program (WSOSBP) was created to provide financial assistance grants to businesses in Watervliet that have been affected by the COVID-19 crisis and a subject to Executive Order, Policies Assure Uniform Safety for Everyone (PAUSE) issued by Governor Andrew Cuomo.

The overall goal of the program is to ensure that the private sector small businesses owned and staffed by LMI persons in Watervliet will be sustained through the COVID-19 pandemic.

Watervliet has identified over 100 businesses located within the City limits that have been affected by the PAUSE order. Most of these businesses are identified as small, independently owned “mom and pop” type businesses that have been part of the Watervliet community for years. This Save Our Small Business Program will provide some financial assistance needed to help continue small business operating in our community.

The WSOSB Program will provide up to \$5,000 in working capital for qualified businesses to help assist with operating expenses and payroll expenses during this crisis and help provide a bridge to when the economy opens up again. Preliminarily it is anticipated that the Save Our Small Business Grant Program will be able to assist many small businesses with these funds and will support business efforts to continue operating after the PAUSE is lifted by retaining scores of jobs “that but for the help from these grants” would be lost permanently.

The program is designed to assist long time businesses in the City who employ LMI and welfare-to-work participants, it will help reduce unemployment and will allow these businesses to reopen as soon as the PAUSE order is rescinded and provide assistance to those businesses that are open on a limited basis during this time. The overall goal is to help sustain the economic growth and activity in the community one small business at a time.

ELIGIBILITY

The City of Watervliet Save Our Small Business Grant Program will target those businesses that fall under the Microenterprise and Small Business categories as identified by HUD. That definition is: at the time of application for the Save Our Small Business Grant Program and for review by the Grant Review Committee:

- The microenterprise type applicant must have fewer than 5 employees, part-time and full time, including the owners.
- The small business type applicant must have between 5 and 25, part-time and full-time including the owners.

Each grantee must qualify per the low-moderate income persons criteria as defined by HUD. The requirements include that the project will retain small business jobs and that 51% of the jobs retained or created will be to the greatest extent possible low-moderate income persons.

In compliance with Microenterprise Program requirements regarding the National Objective criteria for this program low to moderate business owners (ex: sole proprietor, single owner businesses, etc.) are eligible to apply for grant funding if they meet application requirements.

This program focuses on the retention of jobs during the PAUSE shutdown period for small “mom and pop” businesses that may not service this economic crisis. The funds should help small businesses come out of PAUSE and start back in a limited or full business capacity.

Priority for participation will be given to applicant entrepreneurs based on the following criteria:

- I. The business must be licensed, incorporated or registered with the State of New York or the County of Albany.
- II. The business must be located in an existing commercial or business space in an area zoned for business/commercial, or in an area generally recognized as a retail or commercial location.
- III. The business owner must provide proof of commercial space ownership or a copy or lease agreement with the property owner.
- IV. The program will prioritize applicants in the following order:
 - A. Businesses that have been deemed non-essential business and have not been open for business retroactive to the date of the PAUSE order. Examples of these businesses include: Hair salons, barbershops, clothing, floral shops, etc.
 - B. Businesses that have been allowed to operate on a limited basis. Examples of these include restaurants, taverns, liquor stores, etc.
 - C. Businesses that have been allowed to remain open but due to decline in business have had to furlough employees
- V. All businesses assisted with funding through this program must agree to take part in the Entrepreneurial Training Program offered through the Community Loan Fund in Albany. At current, due to the COVID-19 economic crisis, the Community Loan Fund of Albany is not offering training and there are no alternative training sources available at this time. The training section has more details on the training goals and requirements. The grantee will be allowed to take this training once the courses are offered again. It is understood that this training may occur after the grant award date.

- VI. The equity match for this program, due to the COVID-19 pandemic, will be waived by the City of Watervliet. A cash equity match for in the circumstances created by the COVID-19 economic collapse affecting small business is counter productive and produces the exact opposite of the desired effect of this emergency assistance program.

PROGRAM PROCESS, OVERSIGHT AND GRANT APPROVAL

Subject to limitation noted previously and consistent with rules, regulations and procedures established by the City of Watervliet and the Grant Review Committee the grant procedures are as follows:

INITIAL APPLICANT INQUIRY

The business applicant/entrepreneur should contact the Watervliet Planning and Community Revitalization Department, Office of Grant Management to obtain information about and an application for the WSOSBP.

GRANT ADMINISTRATOR REVIEWS THE QUESTIONNAIRE FOR ELIGIBILITY CRITERIA

The WSOSB PROGRAM Administrator meets with the applicant to assist with the application process.

APPLICANT COMPLETES FORMAL APPLICATION FOR SAVE OUR SMALL BUSINESS GRANT PROGRAM

The components of the formal application for a Microenterprise Grant include:

Application Form

Permission to access Credit Analyst Report

FINAL APPLICATION COMPLETED

The WSOSB PROGRAM administrator will check the applicant's documentation to determine that all necessary information is complete before submission to the Grant Review Committee. The WSOSB PROGRAM administrator will require from the applicant a detail project budget list with costs estimate for the expenses requested to be covered by the grant expenditures

A letter acknowledging that all necessary information and data has been received and the application is complete will be part of the final application and any changes will require an application amendment.

GRANT REVIEW COMMITTEE DECIDES ON APPLICATION

The Grant Review Committee meets to review each application and determine funding eligibility. Committee member are appointed by the Mayor and are qualified individuals in the community from the public service sector, business representatives and finance.

ATTORNEY COMPLETES INPUT

If application is approved, the attorney will complete the closing documents that include, but are not limited to: grant contract, payment information and budget, and other program required documents. Hiring commitment, certification documents will include affirmation that jobs are available to and are being taken by low- and moderate-income persons pursuant to the guidelines and rules of the NYS Office of Community Renewal

CLOSING AND DISBURSEMENT OF FUNDS

Funds are dispersed upon final application approval. The WSOSB PROGRAM administrator before funds are dispersed, will review and certify that all documents are completed correctly, signed and dated to comply with grant requirements.

It is the intention and goal of the program to have grant authorization (or disapprovals) take no more than (5 business days after receipt by the City of Watervliet of the Final Complete Grant

FUNDING

The Watervliet Save Our Small Business Grant Program will provide grant opportunities to businesses affected by the PAUSE order to help cover the payroll expenses, mortgage, rent, non-construction related supplies, furnishings, gas and/or electric bills, phone bills, insurance costs.

The Microenterprise Grant funding will be used to assist businesses affected by the COVID -19 crisis. Any funding not used for this emergency use and for COVID-19 economic recovery will be programmed back to provide grants under the original Microenterprise Grant Program in order to stimulate new small business endeavors in the Watervliet community.

Each grant applicant will be considered and reviewed by the WSOSB PROGRAM administrator and the Grant Review Committee within the context of the following program considerations and guidelines. The program will be managed with attention to focus on assisting the businesses in the City of Watervliet who have been affected by the PAUSE order These guidelines reflect the procedures and policies of the Watervliet Save Our Small Business Grant Program, National Objectives as they apply to this program, and regulations of the New York State Office of Community Renewal. They include:

Grant Amounts: Grants will be maximum amount of \$5,000. Each grant application will be evaluated, and grants based on the needs of the applicant.

Hiring Policy: The grant recipient will certify that minimum 51% of the persons retained in connection the grant are persons of low-moderate income. The ideal goal is 100% of persons retained/hired are LMI addressing and exceeding the program's National Objectives. The entrepreneurs are encouraged document all employee retention information and actions.

Equity Contribution: Due to the current circumstances the City of Watervliet will waive the equity contribution requirement for these grant awards.

Project Feasibility: Grant will be approved on a first-come, first-serve basis and on the criteria as previously described in Section IV of the Eligibility section of this document.

Project Monitoring: The City of Watervliet will be responsible for monitoring job reporting requirements pursuant to NYS Office of Community Renewal guidelines

PROGRAM OUTREACH, MARKETING AND SUPPORT ACTIONS

The Watervliet Save Our Small Business Grant Program Director (David Wheatly) will market the program to community businesses using various media opportunities and personal contacts. Information on this program will be broadcast on the City TV station WVLT Channel 17 which reaches every household in the community. The City of Watervliet keeps an up-to-date listing of all businesses in the City along with contact information which will be used to market this program. The City will also announce the availability of this program through the City of Watervliet website.

WATERVLIET MICROENTERPRISE GRANT PROGRAM OBJECTIVES:

Some of the goals of the Save Our Small Business Program include:

- Assisting those businesses that have been financially impacted by the Governors PAUSE order due to the Covid-19 pandemic.
- Allow those businesses to re-open or remain open once this crisis passes and assist them in re-hiring those employees who have been furloughed during this time.
- The program will be managed by the City of Watervliet and will be responsive to those micro and small businesses that are in need of financial assistance with payroll and working capital to either re-open or remain open when the PAUSE order is rescinded.
- Program goal (this project) is to provide grants to twenty (20) microenterprise and small businesses in the community through this grant program. It is anticipated that 16 to 20 jobs will be retained.

TRAINING

The Save Our Small Business Microenterprise Program will require completion of an Entrepreneurial Training Program offered through the Community Loan Fund in Albany. Currently, due to the COVID-19 crisis, the program is not offering training but there is a hope and anticipation that they will have the ability to offer the on-line training courses in some form at some point. The grantee will be allowed to take this training once the courses are offered again. It is understood that this training may occur after the grant award date. Grantees who already have taken this training or similar entrepreneurial training course will be evaluated at the time of application.