

In response to COVID-19, the CARES Act included aid to small businesses impacted by the pandemic. This funding is intended to support activities to **prepare, prevent and respond to the impacts of COVID-19** and improve capacity for future safety and resilience. Franklin County has established this program to assist a limited number of businesses that meet specific requirements set by the CDBG CARES Act Small Business Assistance program and Franklin County economic development priorities. On behalf of Franklin County, the Franklin County Economic Development Corporation is administering this program.

PROGRAM QUALIFICATION AND ELIGIBILITY

Who qualifies for this program? Eligible applicants are organizations who can demonstrate they:

- are a private, for-profit, small business entity located in Franklin County that is legal, licensed and operating, with up to 25 employees,
- are unable to sufficiently access other state and federal resources,
- were in operation prior to January 1, 2020
 - However, the program may extend assistance to business acquisitions, start-ups or other existing businesses as dictated by need. There must be a strong connection to COVID-19 in any case.
- have experienced demonstrable impacts due to COVID-19 including, but not limited to:
 - the United States/Canada border closure (decrease in traffic, tourism, etc.)
 - longer than average closures and significant capacity restrictions due to mandates
 - significant expenses to address safety concerns and mandates, adapt to new market conditions, implement new COVID-related business practices, and/or mitigate risk

It is anticipated that applicants will primarily utilize funding to cover expenses related to COVID-19 impacts including equipment and fixtures that expand or improve capacity or working capital expenses, such as normal operating expenses or other hard and soft costs related to operations and/or improvements. The program allows for forward and backward-looking expenses to March 2020.

Eligible projects for this program are those that can demonstrate how funds provided will:

- **prepare, prevent or respond to impacts of COVID-19,**
- retain or create jobs for low- to moderate-income (LMI) households,
- support safety and improve business resiliency related to future disaster occurrences, and
- demonstrate project readiness and ability to complete projects within one year.

Eligible uses for funds must prepare, prevent or respond to impacts of COVID-19 including:

- Working capital to resume, expand or implement operations including:
 - Essential wages, taxes, and normal benefit payments to employees essential to maintain business
 - Normal draws or wages on a weekly or monthly basis to you as owner
 - Capital for hiring employees to support eligible projects
 - Capital to adapt to new market conditions, implement post-COVID business practices, and to mitigate risk in terms of business facilities, equipment, systems, and staffing
 - Normal operating costs that are included in "cost of goods sold" on your business income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.)
 - Normal operating expenses that are included in "operating expenses" your business income statement (rent, utilities, insurance, professional services, etc.)
 - Required monthly business loan payments
- Costs of business interruption caused by required closures including:
 - Reimbursement of operating and soft costs above incurred during the period of interruption
 - Will require an attestation by the grant recipient that its operations were shut down or severely curtailed after March 1, 2020, for a defined period of time
 - Costs incurred during a reopening process, including the additional business interruption that happens when a small business must limit their accessibility to the public, and for displaying and/or communicating state-based requirements for public access
 - Operating costs for the purchase of items meant to protect the public and employees, such as personal protective equipment (PPE), protective masks, protective shielding, hand sanitizer, and other costs incurred by installing required safety measures in order to reopen a business



- Reimbursement of operating and soft costs above incurred during post-COVID recovery to help stabilize the business
- New equipment, fixtures or technology to:
 - Capture business opportunities that respond to COVID19 and similar pandemics
 - Reconfigure a space to support social distancing or comply with physical distancing requirements
- Acquisition costs such as business transitions may be an eligible expense when combined with other related activities. However, applicants must be able to demonstrate that the project, however defined, has a clear connection to COVID-19 and will meet one of HUD's National Objectives

Ineligible uses of funds include:

- Costs related to construction or remodeling are not eligible. However, equipment and fixtures are eligible once construction or remodeling activities are completed. Projects with these activities will require an environmental review process and discussion with program staff PRIOR to applying.
- Costs that duplicate funding for the same expenses applicants have received from the SBA's Paycheck Protection Program (SBA PPP), and/or from other financial relief grants or programs. Applicants must provide proof that this funding, if awarded, will not result in a duplication of benefits with any other state or federal award
- Any expense not considered an eligible business expense by IRS rules
- Bonuses to owners or employees
- Draw/salary to owner that exceeds the amount that they were paid on a weekly/monthly basis for the same period last year
- Wages to any member of owner's family who is not a bona fide employee
- Charitable or political contributions, gifts or parties
- Pay down or pay off debt

FUNDING AMOUNTS

- Businesses that meet eligibility criteria are potentially eligible to receive:
 - up to a total of \$85,000 in grant funds (depending on demonstrated need and availability of funds)
 - grant bridge loans up the amount of award to assist with expenses while awaiting reimbursement
 - bridge loans up to \$75,000 in longer-term funding for projects requiring additional investment

FUNDING CRITERIA

- Applications will be evaluated based on their alignment with eligibility criteria and:
 - extent of COVID-19 related impact including
 - ◆ ability to explain and demonstrate ability to prepare, prevent or respond to impacts of COVID-19
 - ◆ value of project in improving future resiliency
 - ◆ amount of funds requested/needed as compared to positive business and community impacts

FUNDING FORM AND BASIS

This is primarily a reimbursement-based grant program. This means that, if you are awarded, you would be reimbursed after spending funds that you have on hand or have borrowed for an eligible use. Once acceptable documentation of eligible spending is received, you or your funder would be reimbursed by the program in the form of a grant. To maximize flexibility, the program will allow consideration of eligible expenses both for future plans or those prior to the award that have not received duplicate funding.

However, in situations where a business's cash flow is so strained that the business lacks the capacity to execute the project with its available equity, the Franklin County Local Development Corporation may offer assistance in the form of a bridge loan or advance payment against grant funds. However, any business applying for advance assistance must demonstrate the severity of their situation. Businesses approved for advance funding will also need to submit a W-9 for each entity that they propose to pay using grant funding.

CONDITIONS

FUNDING AVAILABILITY

Grants from this program are not intended to fund a complete project. It is expected that applicants will pursue all reasonable and practical sources of funding, including existing state and federal programs before pursuing this grant program, including an applicant's available equity where appropriate. However, this program is designed to restore and enhance an applicant's equity position in response to impacts of COVID-19 and therefore, there are no equity requirements.

LMI BENEFIT REQUIREMENT

A condition of the CDBG program is that grant funding must primarily benefit Low-to-Moderate Income (LMI) persons. A minimum of 51% of the jobs created or retained must be either held by or made available to persons from LMI households. The County will consider the position income-qualified if the annual wages or salary of the job at the time their employment starts is equal to or less than the CDBG low-to-moderate income limit established at the time of the award for the employee's household size, per below:

EXAMPLE OF CDBG MICROENTERPRISE PROGRAM LMI INCOME REQUIREMENTS TO QUALIFY								
HOUSEHOLD/FAMILY SIZE	1	2	3	4	5	6	7	8
MAXIMUM HOUSEHOLD INCOME TO QUALIFY	\$37,650	\$43,000	\$48,400	\$53,750	\$58,050	\$62,350	\$66,650	\$70,950

[For example, if you have two adults and two children in a household, you would have to show that the total household income (four persons, including both adults) is less than \$53,750.]

In order for the County to verify that the requisite percentage of its CDBG-CV grant funds will assist LMI persons as required by HUD, businesses that receive assistance will have to provide payroll records showing the type of job and the annual wages or salary of the job to demonstrate that the position filled or held/retained was a low- or moderate-income position.

DOCUMENTATION

APPLICATION:

- Applicants must thoroughly complete all questions asked on the application form. Incomplete applications will be returned.
- Attestation that no other support, either public or private (e.g., business interruption insurance), has or will be received to cover any of the expenses presented in their CARES Act grant applications
- We reserve the right to request additional information

UPON ADVANCEMENT OR AWARD:

- If economic impact is cited as grounds for eligibility, proof documentation including payroll records, financial statements and other evidence will be required as appropriate
- Payroll documentation demonstrating the recipient will retain at least the same level of employment that they held on the date of application for a period of 12 months after receiving assistance
- If an environmental review is required, additional related documentation may be needed
- We will obtain and verify a certificate of good standing from New York State
- A Grantee Recipient Commitment Agreement will be required

REIMBURSEMENT:

- All bills, invoices and/or receipts for items that grant funding will subsidize
- Proof documentation including payroll records, financial statements and other evidence will be required as appropriate

APPLICATION PROCESS

- Application Qualification Forms will be reviewed by program staff, who will offer technical assistance to applicant, as needed, prior to and during the application process.
- Application Qualification Forms will be considered by a local grant committee that may consist of local government leaders, FCLDC board members, community members, and community development and finance professionals. Confidentiality of business and financial info is an essential expectation of committee members. State agency staff may also be consulted.
- Application Qualification Forms will be evaluated on the information provided by the applicant with decisions based on the ability to demonstrate satisfaction of the eligibility criteria above including connection to preparing, preventing and responding to the impacts of COVID-19, reasonableness of request, availability of other funding, community impact, HUD objectives, project readiness and adequacy of documentation.
- Following consideration, applicants will be notified if they were approved to move to next steps, which is full application and requests for further documentation. Declined applicants will be informed of the reasons for declination and whether additional information is needed or if the application has been tabled for later consideration or deemed ineligible.
- If fully awarded, applicants will be asked to provide more information as needed and asked to enter into a grant agreement.
- Upon receipt, review and determination of adequate information, the reimbursement process will commence.
- Post-award monitoring will occur to ensure that conditions of the grant agreement, including job creation and retention are completed. Liens may be placed on grant-funded assets to ensure that these conditions are met.

EVALUATION CRITERIA

In addition to meeting the above threshold requirements, applications will be evaluated and scored on the following criteria:

Planned Projects:

- Need (30%) – Demonstrated need, strength of connection to Coronavirus, leverage of other funds
- Impact (20%) – Measurable impact of activities described, value of project in improving future resiliency, relevance to demonstrated need
- Capacity (20%) – Organizational capacity and project design that demonstrates ability to complete project within contract term, strong plan/strategy for administration
- Feasibility (20%) – Clear budget, all sources identified, project financially viable
- Compliance (10%) – Ability to adequately meet CDBG requirements for LMI impact & job creation or retention and provide evidence of compliance.

Backward-Looking Reimbursements:

- Need (30%) – Demonstrated impact of circumstances on business, strength of connection to Coronavirus
- Documented Impact (40%) – Clear financial records showing effects relevant to impacts
- Future Impact (20%) – Measurable financial impact of activities described, value of project in improving future resiliency, relevance to demonstrated need
- Compliance (10%) – Ability to adequately meet CDBG requirements for LMI impact & job creation or retention and provide evidence of compliance.

PROJECT FUNDING NOTE:

Grant funding is intended to fill a gap between the funding you have available and a project need. It is not intended to be the first or primary funding for a project. If advanced, you will be required to:

- Demonstrate your request will prevent, prepare or respond to COVID-19 impacts
- Provide personal and business financial information
- Demonstrate grant funds are necessary
- Spend funds prior to receiving grant funds
- Demonstrate that your project is ready and will be sustainable
- Provide documentation of your expenses
- Consent to monitoring of your project and recapturing funds and equipment if you cannot fulfill conditions of the agreement

QUESTIONS

Please refer to information available above or contact Russ Kinyon, Director of Economic Development, at (518) 651-2957 or russ@adironackfrontier.com to determine if your business or project is eligible.

APPLICATION FORM SUBMISSION

- Applicants are strongly encouraged to contact Russ PRIOR to submitting an application with any questions.
- Businesses that are eligible and wish to be considered for funding must complete the fill-in application electronically. **Handwritten applications will not be accepted.**
 - Download this application qualification form to your computer
 - Open file to enable typing in the form. If you do not have software to edit PDF documents, you may download [Adobe Acrobat Reader](https://get.adobe.com/reader/) at <https://get.adobe.com/reader/> for free.
 - Save the file to your computer when you are done.
 - Once complete, applicants must upload the file using the website at www.adironackfrontier.com/CARES
 - If you need technical assistance, you may contact Russ.

APPLICANT QUALIFICATION FORM

BUSINESS INFORMATION

NOTE: ALL INFORMATION IS NECESSARY. INCOMPLETE APPLICATIONS WILL BE RETURNED.

Name of Business: _____

Business Address: _____ **Town/Village:** _____

Primary Contact: _____

Phone: _____ **E-Mail Address:** _____

Type of Business: Corporation/LLC Partnership Sole Proprietorship

Ownership Information:

Owner Names	% Ownership	Owner Names	% Ownership
1		3	
2		4	

BUSINESS DESCRIPTION Please describe your business, including history and services offered:

SMALL BUSINESS REQUIREMENTS

Applicants must have fewer than 25 employees, including the owner, at the time of application.

Does your business meet this requirement? Yes (Required)

INCOME REQUIREMENTS

To qualify, you must demonstrate you will retain or create jobs that benefit a person from a low- to moderate-income (LMI) household. The position retained or created must show a benefit to a person whose salary is less than \$38,850.

Based on these income limits, please note whether you will qualify. Check all that apply:

- The project retains at least one full-time equivalent position for a person from a LMI household**
(this will require actual financial documentation that employee positions were threatened, i.e. must show that amount of financial loss equalates to x number of jobs)
- The project creates at least one full-time equivalent position for a person from a LMI household**

CORONAVIRUS-19 PANDEMIC IMPACT

Please thoroughly describe how your business has been impacted by COVID-19.

Effects might include, but not be limited to impacts due to:

- the U.S./Canada border closure
- longer than average closures and significant capacity restrictions due to mandates
- expenses to address safety concerns and mandates
- inability to sufficiently access other state and federal resources
- significant financial losses

PROJECT DESCRIPTION [YOU MAY ATTACH A 1-2 PAGE DOCUMENT INSTEAD.]

Referring to eligible uses of funds in the program overview, please describe your request, the plans or project you are proposing. **Your response must include how you plan to 1) PREVENT, 2) PREPARE OR 3) RESPOND to the pandemic.** You MUST refer to whichever of these apply to your situation. Include ALL of the following:

- Describe your project or financial impacts and how your request will **1) PREVENT, 2) PREPARE OR 3) RESPOND to the pandemic**
- Describe how much financial assistance you are requesting and for what uses
- Describe how any available federal, SBA or state programs related to COVID-19 are insufficient
- Why this grant funding is *necessary* to accomplish your project or alleviate previous impacts to your business and what it would mean to you

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 - Open file to enable typing in the form. If you do not have software to edit PDF documents, you may download [Adobe Acrobat Reader](https://get.adobe.com/reader/) at <https://get.adobe.com/reader/> for free.
 - Save the file to your computer when you are done.
- Once complete, applicants must upload the file using the website at www.adirondackfrontier.com/CARES
- If you need technical assistance, you may contact Russ.

Please return this form prior to Monday, March 7, 2021.

