

PROPOSED
COVID-19 Portland Business Assistance Program for
Job Creation (Rehiring)

Description

The City of Portland's COVID-19 Business Assistance Program for Job Creation (BAP) provides \$5,000 in grant funding to small businesses for **rehiring** two or more full-time employees or jobs that were on the payroll as of January 31, 2020. The jobs, which must be filled by low/moderate income individuals,* could include previous employees or new employees. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing programs if a business is able to access them. Funding through this Program cannot be combined with any other PDC COVID-19 Program.

Program Objectives

- Create (rehire) jobs for two or more low/moderate income individuals;
- Stabilize and strengthen existing businesses impacted by the COVID-19 crisis;
- Stabilize and strengthen the Portland economy.

Funding Source

Community Development Block Grant Funds.

Financing Terms

- Maximum grant of \$5,000 per business;
- Grant is provided on a reimbursement basis for eligible expenses or through direct payment of eligible expenses once two (2) full time equivalent (FTE) jobs are back on the payroll. Half of the grant may be accessed once one (1) FTE is back on the payroll.

Program Requirements/Eligibility

- Create (rehire) at least two (2) full-time equivalent (FTE) jobs. One FTE = two Part-Time jobs. (See definitions below on required hours for full-time** and part-time***)
- Created (rehired) jobs with the help of the grant are marketed to and filled by low/moderate income individuals;*
- Wages will exceed Portland's minimum wage;
- Business was in existence on January 31, 2020;
- Demonstrates that other available federal and state emergency assistance is not available to the company.
- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City and property must be free of all City liens and encumbrances.

Eligible Funding Activities

- Working capital expenses (e.g., rent, utilities, payroll, insurance, inventory);
- Business consulting services (e.g., accounting, marketing, software, legal assistance);
- Employee training.

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- If business is closed, funds cannot be used to pay owner;
- Use of grant funds for activities, commenced or completed prior to program funding approval and prior to signing a grant agreement.

Application Review Criteria

- Career Potential
 - Job training in a marketable skill;
 - Potential for job advancement within the company or elsewhere.
- Employer
 - Completeness of application package (all required submittals);
 - Personal credit score of at least 600
 - Demonstrated need for grant funds to create (rehire) job(s), that is, has been substantially impacted by COVID-19 crisis;
 - How quickly will jobs be created again or employees rehired;
 - Number of jobs to be created again exceeds two (2) FTE;
 - Health of business prior to COVID-19 crisis;
- Business Sector: Growing/Trending up in Portland
- Compensation and Benefits: Quality of compensation and benefits package (for example, wages, health, vacation, sick leave);
- Community: Social benefit of business' service(s) and/or product(s) or its level of giving back to the community.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the COVID-19 Business Assistance Program for Job Re-Creation, with guidance from the Housing and Community Development Division. Eligible applications are submitted to staff, analyzed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review and approval. The PDC has the authority to establish application deadlines.

Required Submittals

- City of Portland Program Application;
- Personal financial statement - from all owners of the business with 20% ownership or greater;
- 2018 and 2019 (if available) business tax returns;
- Balance Sheet for 2019;
- Profit and Loss for 2019;
- Business plan if business was established in 2019;
- Payroll from January 31, 2020 showing number of full and part-time employees;
- Demonstrated efforts to access Federal and State resources that were unsuccessful (e.g., SBA Economic Impact Disaster Loan Program, Paycheck Protection Program and FAME COVID-19 Relief Business Direct Loan Program) or an email acceptable to staff

explaining the reasons for not utilizing any of these programs. Maximum grant awards will be capped at the beneficiary's total needed amount to prevent duplication of benefits.

Reporting and Tracking Requirements (after grant approval)

Jobs must be created again within nine (9) months of signing a grant agreement (after being approved) or six (6) months after the applicable Stay at Home or other COVID-19 emergency orders have been lifted with respect to grantee's type of business, whichever is sooner. The six month timeframe can be adjusted based on how the COVID-19 restrictions are lifted. Grant awardees will be required to provide quarterly payroll reports until two (2) FTE jobs are back on the payroll and then an annual report one year from rehiring date.

Sunset Provision

This program has a termination date of December 31, 2020.

Definitions

* For the purposes of this Program, low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels can be found on the City's website at the following link:
<http://www.portlandmaine.gov/DocumentCenter/Home/View/8939>

** Definition of a full-time job, per the Maine Department of Economic and Community Development, is at least 1,750 hours/year.

*** Definition of a part-time job, per the Maine Department of Economic and Community Development, is at least 875 hours per year but less than 1,750 per year.