

PROPOSED

COVID-19 Portland Microenterprise Grant Program (MGP)

Program Description

The City of Portland's Microenterprise Grant Program (MGP) is targeted to very small businesses with less than two (2) full-time equivalent (FTE) employees. The MGP provides grants of up to \$2,500 to existing Portland Microenterprises that have been impacted by the COVID 19 crisis. The **definition of a microenterprise*** for the purposes of this program, is a business that has no more than one FTE employee (which is 1 full-time or 2 part-time employees), as well as the business owner(s) who must be a low/moderate income individual. ** Funding through this Program cannot be combined with any other PDC COVID-19 Program.

Program Objective

The stabilization of Portland microenterprises that lease commercial space, whether the business is open or temporarily closed.

Funding Source

Community Development Block Grant.

Financing

Maximum grant of \$2,500 per microenterprise.

Program Requirements/Eligibility

- Business is open: Need for grant funds to keep business open and operating;
- Business is temporarily closed: Need for grant funds to maintain business' leased space and reopen business as soon as possible;
- Owner(s) must be low/moderate income;
- If the business has employees, at least 51% must be low/moderate income;
- Business can have no more than 1 FTE employee, as well as the owner;
- Business must be located within the City of Portland;
- Owner is unable to finance business expenses on his/her own;
- Other sources of government funding are not available;
- Applicant does not owe outstanding property taxes, fees, or judgments to the City and property must be free of all City liens and encumbrances.

Eligible Funding Activities:

Expenses that are needed to keep the business open or maintain the business' leased space if the business is partially or fully closed and to reopen as soon as possible.

Ineligible Activities:

- Refinance existing debt;
- Down payment for other financing;
- Wages for business owner(s) and family members of the business owner(s);
- Use of grant funds for activities other than those that are noted as eligible.

Application Review Criteria

The Portland Development Corporation (PDC), the City's lending and granting board, will weigh the following criteria, but has the discretion to base its approval on other considerations as well:

- Completeness of application package (all required submittals);
- Business has been substantially impacted by COVID-19 crisis:
 - Demonstrated need for grant funds if business is open;
 - Demonstrated need for grant funds to maintain leased space if business is closed;
- If closed, timing when business will reopen;
- If business had employees, timing when business will hire back furloughed employee(s) or re-create job(s) that existed on January 31, 2020;
- If business had employees, company profile of employee wages and benefits;
- Health of business on January 31, 2020
- Personal credit score of at least 600

Required Submittals

- City of Portland Microenterprise Program Application;
- Personal financial statement - from all owners of the business with 20% ownership or greater;
- 2018 and 2019 (if available) business tax returns;
- If taxes for 2019 are not available, a Balance Sheet and a Profit and Loss for 2019;
- If had employees on January 31, 2020, payroll showing number of full and part-time employees;
- Demonstrated efforts to access Federal and State financial 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 beneficiaries total need amount to prevent duplication of benefits.

Application and Approval Process

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

Reporting and Tracking (after grant approval)

If business is still operating, within six months after applicable Stay at Home or other COVID-19 emergency orders have been lifted for the grantee's type of business, the payroll will be at the same capacity it was on January 31, 2020. If business is temporarily closed it will be operating within six months after applicable State at Home or other City COVID-19 emergency orders have been lifted for the grantee's type of business. The six month timeframe can be adjusted based on how the COVID-19 restrictions are lifted.

Sunset Provision

Program has a termination date of December 31, 2020.

Definitions

*For the purposes of this Program, a microenterprise business is defined as a commercial enterprise that has no more than one full-time employee (at least 34 hours per week) or two part-time employees (at least 17 hours/week) as well as the business owner(s). The owner(s) must be low/moderate income.

**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>