

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

Description

The City of Portland's COVID-19 Business Assistance Program for Job Creation (BAP-Rehire) Grant provides up to \$10,000 in grant funding to small businesses for **rehiring four** full-time employees or jobs that were on the payroll just before the COVID-19 crisis. The jobs, which must be filled by low/moderate income individuals,* could include previous employees or new employees. Funding through this Program cannot be combined with any other City of Portland COVID-19 financing.

This program may not duplicate benefits received from COVID-19 Federal, State or County grants. Specifically, COVID-19 City grants can only be used to pay for items not already paid for by other governmental grants.

Program Objectives

- Create (rehire) jobs for 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 \$10,000 per business for the rehiring of four (4) full time equivalent (FTE) employees (\$2,500/FTE job rehired); Grants of \$2,500, \$5,000 or \$7,500 can be applied for if a business rehires one, two or three FTE employees; **One (1) Full Time Equivalent (FTE) job is equal to at least 34 hours/week or 2 part-time jobs, each at least 17 hours/week).**
- Grant is provided on a reimbursement basis for eligible expenses or through direct payment of eligible expenses once employees have been rehired. Half of the grant may be accessed once half of the employees are rehired and are back on the payroll.

Program Requirements/Eligibility

- Create (rehire) at least one (1) FTE job. Two part-time jobs can be substituted for one full-time job.
- 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 began operating no later than March 15, 2020;
- 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
 - Demonstrated need for grant funds to create (rehire) jobs, that is, has been substantially impacted by COVID-19 crisis;
 - How quickly jobs will be created again or employees rehired;
 - Number of jobs to be created;
 - 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 Housing and Economic Development Department is responsible for administration of the COVID-19 Business Assistance Program for Job Creation (Rehiring). 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;
- Commercial Lease noting monthly or annual rate, including CAM charges for NNN leases.
- Personal financial statement - from all owners of the business with 20% ownership or greater;
- 2018 and 2019 business tax returns;
- Current balance sheet through at least August 31, 2020;
- Current profit & loss through at least August 31, 2020;

- Business plan if business was established in 2019 or 2020;
- One year of monthly projections;
- Payroll from just before the COVID-19 crisis showing number of full and part-time employees;

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.

Sunset Provision

This program has a termination date of December 31, 2020 or when funds run out, whichever comes first.

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>