

COVID-19 Portland Microenterprise Grant Program (MGP)

Program Description

The City of Portland's Microenterprise Grant Program (MGP) provides grants of up to \$5,000 for existing Portland businesses that operate out of leased commercial space and \$2,500 to other Portland microenterprises,* including home based businesses, that have been impacted by the COVID 19 crisis.

The **definition of a Microenterprise*** for the purposes of this program is a business owned by a low/moderate income individual** that has 0 to one (1) Full Time Equivalent (FTE) employee. One FTE =1 full-time job that is at least 34 hours/week or 2 part-time jobs that are each at least 17 hours/week each), plus the business owner(s). 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 Objective

The stabilization of Portland microenterprises, whether the business is open or temporarily closed.

Funding Source

Community Development Block Grant.

Financing

Maximum grant of \$5,000 per microenterprise that operates out of leased commercial space.
Maximum grant of \$2,500 per microenterprise that does not operate out of leased commercial space (e.g., is home based).

Program Requirements/Eligibility

- Business is open or temporarily closed;
- Owner(s) must be low/moderate income**;
- If the business has employees, at least 51% must be low/moderate income**;
- Business began operating no later than March 15, 2020;
- Business can have no more than 1 FTE employee, plus the owner;
- Business must be located within the City of Portland;
- Owner is unable to finance business expenses on his/her own;
- 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:

Rent, utilities, inventory, insurance, payroll (not including owner) and other working capital needs; the portion of a residential mortgage that covers the square footage used by a home based businesses.

Ineligible Activities:

- Wages for business owner(s) and family members of the business owner(s);
- Refinance existing debt;
- Down payment for other financing;
- 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:
- 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 just before the COVID-19 crisis ;
- If business had employees, company profile of employee wages and benefits;
- Health of business just before the COVID-19 crisis,
- Personal credit score

Required Submittals

- City of Portland Microenterprise Program Application;
- Commercial lease, if business is in a leased space, noting monthly or annual rate, and 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;
- One year of monthly projections;
- If had employees, payroll showing number of full and part-time employees just before the COVID-19 crisis ;

Application and Approval Process

The City’s Housing and Economic Development Department is responsible for administration of the COVID-19 Microenterprise Grant Program. 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 just before it was impacted by the COVID-19 crisis. 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 or when the funds run out, whichever comes first.

Definitions

- *For the purposes of this Program, a microenterprise business is defined as a commercial enterprise that has 0 to one (1) Full-Time Equivalent (FTE) employee. **One (1) FTE job is equal to at least 34 hours/week or 2 part-time jobs, each at least 17 hours/week**. plus the business owner(s). The owner(s) must be low/moderate income.**

** 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>