

RESOLUTION NO. 2020- 243

A RESOLUTION APPROVING THE USE OF SECOND GENERATION UEZ FUNDS IN THE AMOUNT OF \$290,000.00 TO BE USED FOR COVID-19 MICRO-ENTERPRISE ASSISTANCE PROGRAM BY THE VINELAND REVOLVING LOAN FUND, LLC AND THE ADOPTION OF GUIDELINES FOR DISTRIBUTION TO ELIGIBLE BUSINESSES IN THE CITY OF VINELAND.

WHEREAS, due to the COVID-19 Pandemic, on March 9, 2020, Governor Murphy issued Executive Order No. 103 declaring a Public Health Emergency and State of Emergency in New Jersey and thereafter on March 16, 2020 the Governor signed Executive Order No. 104 requiring all food and hospitality services closed for on-premises consumption and non-essential services closed for on-premises services; and

WHEREAS, on March 27, 2020 Governor Murphy issued Executive Order No 107 directing all non-essential employees to shelter at home to prevent further person to person spread of COVID-19 which put a greater burden on businesses within the City of Vineland to keep operational during the terms of the several Executive Orders; and

WHEREAS, the businesses hurt the most from the shutdown of operation due to the Executive Orders are the small “micro-enterprises” within the City, such as family owned businesses with no more than 5 employees, which must continue to pay bills including taxes, rent, insurance and other necessary and contractual obligations while generating little, if any, income to support the continued survival of the businesses during the shutdown in hopes of re-opening and again becoming a vital part of the economy; and

WHEREAS, unemployment has skyrocketed in the City as well as the State of New Jersey and United States due to the obligation to shelter at home during the pandemic, however because of the shutdown of the businesses, many businesses in the City may never re-open again and will result in continued unemployment for the numerous residents who have been sheltering at home and assisting in the continued fight of the spread of COVID-19; and

WHEREAS, as of June 3, 2020, throughout the Country and State of New Jersey, the rate of reported new cases of COVID-19 has decreased and therefore, Governor Murphy issued Executive Order 150 setting forth a “multi-stage New Jersey Road Back Plan for the methodical and strategic reopening of businesses and activities based on scientific data and metrics concerning the level of disease transmission risk” which included the relaxation of restrictions on businesses such as food and hospitality services and non-essential businesses, thus allowing them to open with certain requirements including social distancing beginning June 15, 2020; and

WHEREAS, it is clear that without financial assistance for startup, many of the micro-businesses will not be able to re-open, further destroying the economy and adding to the continued unemployment crisis; and

WHEREAS, the City of Vineland has applied for and awaits the receipt of federal Community Development Block Grant CARES Funds (COVID-19CV), a portion of which is being set aside for funding startup costs for micro-businesses, however the funds will not be available prior to June 15, 2020, the anticipated date for the re-opening of businesses in New Jersey pursuant to Executive Order No. 150; and

WHEREAS, the Urban Enterprise Second Generation funding, managed by the Vineland Revolving Loan Fund, LLC has funds available for assistance in economic development, job creation and job retention and the Board of Directors of the Vineland Revolving Loan Fund LLC has recommended funding micro-businesses in the amount of \$290,000.00 subject to the adoption of rules for qualification and distribution of funding as a grant, and further subject to the re-payment of the fund upon receipt of CDBG-CV CARES Funds;

WHEREAS, the Board of Directors has recommended and adopted, subject to City Council approval, rules governing the qualifications of businesses entitled to apply for and receive grants in an amount not to exceed \$5,000.00 per business to assist in the re-opening of non-essential businesses and re-employing those who sacrificed by sheltering at home per their obligation, to quell the spread of the COVID-19 virus; and

WHEREAS, City Council of the City of Vineland finds that the use of Second Generation UEZ Funds to fund startup costs to micro-businesses in the City will be an economic boost necessary for the re-opening and retain and create much needed jobs and further finds that the rules promulgated by the Vineland Revolving Loan Fund, LLC are fair and equitable.

NOW, THEREFORE, BE IT RESOLVED, as follows:

SECTION 1. THAT the Council of the City of Vineland hereby authorizes the use of \$290,000.00 Second Generation UEZ Funds for funding of a COVID-19 Assistance Program (CAP) to be distributed in accordance with proposed rules to be used as an economic engine to qualified businesses to re-open in the City of Vineland as permitted by Governor Murphy, Executive Order No. 150;

SECTION 2. THAT upon receipt of Federal Community Development Block Grant CARES Funds (CDBG-CV), the amount so utilized to fund qualified businesses in Vineland shall be repaid to the Vineland Revolving Loan Fund, LLC in an amount not to exceed \$290,000.00 and the amount of \$290,000.00 be and the same is hereby approved under the caption of COVID-19 ASSISTANCE PROGRAM

SECTION 3. THAT the rules and regulations approved by the Board of Directors of the Vineland Loan Fund, LLC for the qualifications of businesses entitled to the grant of up to \$5,000.00 per business, attached hereto and made a part hereof, are hereby ratified and confirmed.

Adopted:

President of Council

ATTEST:

City Clerk



COVID-19 Assistance Program

PURPOSE

The City of Vineland has appropriated \$290,000 of its federal Community Development Block Grant CARES Funds (CDBG-CV) for the Microenterprise COVID-19 Assistance Program. The program is being established to provide working capital funds to the community's small businesses that have been severely impacted by the COVID-19 pandemic and have not received assistance from the SBA.

ELIGIBLE BORROWERS

Vineland retail, restaurants, entertainment, and nonprofessional service businesses with no more than 5 employees including full and part-time that were in business as of December 31, 2019. To be eligible, the business must have one employee, which can be the business owner, who will be retained and meets the low/moderate income requirement or the business is located in an eligible program area. Businesses deemed ineligible by the US Dept. of Housing and Urban Development will not be eligible.

ELIGIBLE USE OF FUNDS

The funds may be used for payroll, rent, utilities, real estate taxes, insurance, or inventory for a 60 day period and costs to comply with social distancing protocol.

GRANT AMOUNT

Up to \$5,000.

GRANT REQUIREMENTS

- The Business must be located within the City of Vineland.
- The grant funds may be used to pay unpaid expenses for a 60 day period.
- Loan payments are not eligible expenses.
- Applicant must provide list of expenses to be paid with grant application and backup documentation.
- All grants must meet the CDBG National Objective of Low/Mod Income for the benefitting business. The business must document that it will retain at least one permanent job held by a low- and moderate-income person and that the jobs would be lost without the CDBG assistance. The business must document the income of the low- and moderate income person through a written self-certification by the employee and his/her family size and total income or the business can presume that the job is held by a low-moderate income person if 1) the employee resides in a qualified low income area or 2) the business is located in a qualified low income area. Applicant must provide list of employees and their salaries.
- The Dept. of Housing and Urban Development prohibits the Duplication of Benefits. This occurs when funding is provided for the same costs paid by other sources. Applicant must provide a list of any and all funding received from any source after March 16, 2020.
- Applicant must certify that they will remain open or reopen if grant funds are received. If the applicant does not remain open or reopen, the grant funds must be returned.
- Applicant will be required to complete a grant application and sign a grant agreement.
- Funds are available to all eligible applicants meeting program requirements until all funds are distributed. The City reserves the right to reject applications that it deems do not meet the criteria of the program.

For further information on this program, please contact the Office of Economic Development at 856-794-4100 or email CAP@vinelandcity.org.