

# **JEFFERSON COUNTY**

## **CDBG-CV**

### **ECONOMIC RECOVERY ASSISTANCE PROGRAM (ERAP)**

#### **PROGRAM GUIDELINES**

##### **ADMINISTERED BY:**

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**EQUAL HOUSING  
OPPORTUNITY**

# JEFFERSON COUNTY ECONOMIC RECOVERY ASSISTANCE PROGRAM

## PROGRAM GUIDELINES

The funding that is available to carry out the Jefferson County Economic Recovery Assistance Program (ERAP) are federal funds from the Community Development Block Grant Cares Act (CDBG-CV) Program through the Pennsylvania Department of Community & Economic Development (DCED). The following guidelines for (ERAP) reflect the overall goal of the program and the standard procedures that are routinely followed. Adjustments to the program may be made from time to time to keep it in compliance with the requirements of the funding source.

Jefferson County's Economic Recovery Assistance Program (ERAP) was established to assist small businesses recover from the economic impact that has occurred due to the COVID-19 pandemic. Funding through this program must be utilized for Low/Moderates Income (LMI) job creation and or retention. The Jefferson County Department of Development has been designated as the administrative agent for this Program.

The following information describes the procedures and outlines the requirements of Jefferson County's Economic Recovery Assistance Program (ERAP).

### **Definitions**

#### **1. Job Retained**

A position in which there is sufficient information documenting that the job would have been lost without the CDBG assistance. Business must document that one or both of the following applies to at least 51 percent of the created or retained jobs:

- The job is held by a LMI person; or
- The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person.

#### **2. Job Created**

A position made available through expansion of the business. Businesses must have documentation indicating that at least 51 percent of the created jobs will be held by, or made available to, LMI persons.

#### **3. Microenterprise**

A commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise.

**Business Eligibility Criteria:**

1. Business must demonstrate it experienced disruption due to the Coronavirus crisis.
2. Business must provide evidence of viability before crisis. For example, Annual Financial Statements if business has existing loans, the financial institution can certify the business is viable.
3. Document at least one Full Time Equivalent (FTE) job created or retained with grant/loan assistance up to \$50,000 of CDBG-CV.
4. Businesses that earn \$1 million or less in revenue are eligible.
5. Eligible businesses must have at least one-year business operations and at least one-year tax returns.
6. Evidence up to date on taxes or has a payment plan.
7. Business has 100 or fewer employees worldwide.

**Ineligible Businesses:**

1. Nonprofits.
2. Businesses located in the Borough of Punxsutawney.

The Borough of Punxsutawney is a CDBG Entitlement Community and receives its own separate CDBG allocation. Jefferson County’s allocation must be used in non-entitlement communities which are the remaining townships and boroughs within the county.

3. Real estate developers.
4. Businesses providing assistance in the form of lobbying or other political activities.
5. “Sin” businesses, as defined by HUD.

This includes:

- Any private or commercial golf course;
- Country club;
- Massage parlor;
- Hot tub facility;
- Suntan facility;
- Racetrack or other facility used for gambling; or
- Any store, the principal business of which is the sale of alcoholic beverages for consumption off the premises.

**Amount of Assistance:**

At this time the maximum grant amount is \$5,000. Jefferson County reserves the right to increase or decrease this amount in accordance with the CDBG regulations.

### **Eligible Business Expenses:\*\***

- Payroll
- Rent/Mortgage
- Utilities (For example: oil, gas, electric, water/sewer, internet, phone)
- Supplies (Supplies needed for day-to-day operations up to 90 days)
- Equipment purchases needed to “prevent, prepare for, and respond to the coronavirus.”
- Insurance
- Accounting
- Legal
- Advertising

\*\* Reimbursement using CDBG-CV funds may be eligible if the costs incurred can be documented to “prevent, prepare for, and respond to coronavirus.”

### **Job Expectations – 120 days**

1. Business’ must document at least one Full Time Equivalent (FTE) job created or retained
  - a. FTE based on 40-hour work week. Can be achieved with one person working 40 hours a week, two persons working part time 20 hours week, four persons working 10 hours a week, etc.
2. LMI is based on current income, not salary of created job.
3. Self-certification of income and household size.
  - a. This is different than most direct benefit activities where income verification is completed by the participant; all that is required is an income survey

### **Required Documentation for Business Assistance Application**

1. A project narrative including the following information: (a) amount of the loan request (b) a brief description of how the business experienced disruption due to the Coronavirus crisis (c) a brief description indicating without this assistance jobs will be lost and (d) a brief description for how the funds will be used to finance the business operations.
2. Article of Organization/Incorporation or related business incorporation documents.
3. Business’s most recent filed tax return with Tax Identification Number (TIN), including IRS tax form 4506-T and a signed W-9 form for any individual or entity serving as a Borrower or Co-Borrower.
4. The most recent year end prepared financial statements which may include, but are not limited to:

- a. Debt Schedule outlining all existing debts of the operating entity. This form is not required if accountant prepared financials are provided and include a detailed debt schedule.
  - b. Cash Flow Analysis Statement demonstrating the debt service coverage ratio for the loan request.
5. List of employees (indicate if/how many employees have been furloughed due to COVID-19) and most recent pay stubs.
  6. Documentation to demonstrate the business is not debarred from participating on federally-funded contracts or state-funded contracts.

### **Duplication of Benefits**

*The requirements of the Robert T. Stafford Disaster Relief and Emergency Assistance Act apply to the CDBG-CV funds. The requirements prevent a duplication of benefits when carrying out eligible activities.*

#### **When Does a Duplication Occur?**

A duplication occurs when a person, household, business, or other entity receives assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need.

To calculate a duplication of benefits (DOB), grantees are required to identify “total assistance.” Total assistance includes all reasonable identifiable financial assistance available to the applicant.

#### **What is included as total assistance?**

Cash awards, insurance proceeds, grants, and loans received by or available to each applicant, including awards under local, state, or federal programs, and from private or nonprofit charity organizations.

#### **What is not included as total assistance?**

Total assistance does not include personal assets such as money in a checking or savings (except any insurance proceeds or disaster assistance deposited into the applicant’s account); retirement accounts; credit cards and lines of credit; in-kind donations; and private loans.

A private loan is a loan that is not provided by or guaranteed by a government entity, and that requires the applicant to repay the full amount of the loan (principal and interest) under typical commercial lending terms.

Unless the loan is forgivable, private loans are not financial assistance and are not used when calculating DOB.

**Sources of duplication of benefits** compensation include sources of funding assistance provided for the same activity/use related to the coronavirus pandemic. The

following sources may be considered a duplication and thus are deducted from the award for the project/activity:

- Federal Emergency Management Agency (FEMA) assistance payments
- US Department of Agriculture loans and/or Small Business Administration loans
- Grants from philanthropic sources
- Other state or federal funding
- Funds received from local government

An example of a duplication is if the business received funds through the Paycheck Protection Program. The amount of those funds would be subtracted from the amount of assistance offered through the CDBG-CV.

**Grant Agreement:**

A grant agreement with the business is required. The required information for the agreement is:

1. A commitment from the assisted business to create or retain LMI persons 24 CFR 570.483(b)(4)
2. The type of job and whether the created or retained job will be full or part time and
3. The actions that the business will take to ensure that at least 51% of the jobs created or retained will be LMI persons.
4. Subrogation Agreement must be signed by the business prior to awarding funds and the agreement must be attached to the Grant or Loan agreement.

**Required documentation:**

Below is the information the business must provide for each job retained:

- Job title
- FTE Status
- Household size
- Income of each LMI person [says person, does not say family]
- Job retention period
- Employee Number
- Employee Name
- Job Title
- EDA Job Category
- Hire Date
- Pay Rate

- Termination Date
- Disabled
- Race
- Hispanic (Yes/No)
- Gender (F or M)
- Total Hours worked for reporting period
- FTE Equivalent if part time
- Does employer have sponsored Health care benefits

**Interest or Members, Officers, of Employees of Public Body, Member of Local Governing Body, or Other Public Officials:**

No member, officer, or employee, independent contractor or elected official of the Commonwealth and no member of its governing body who exercises any functions or responsibilities in the review or approval of activities being performed under this grant contract shall participate in any decision relating to this grant Contract which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested. Nor shall any such officer, member, elected official or employee of the Commonwealth or any member of its governing body have any interest direct or indirect in the grant contract or the proceeds thereof.

**Selection Process**

At this time Jefferson County will provide assistance on a "first come, first served" basis. Businesses that have not received any economic recovery assistance as a result of the coronavirus pandemic will be prioritized.

**How Do I Apply for Assistance?**

Application forms are available on the Jefferson County website [www.jeffersoncountypa.com](http://www.jeffersoncountypa.com) and at the office of the Jefferson County Department of Development – Jefferson Place – 155 Main Street, 2nd Floor – Brookville, PA 15825, or by calling (814) 849-3047.