

Glens Falls, New York



Small Business Recovery Fund



Application

GREATER GLENS FALLS LOCAL DEVELOPMENT CORPORATION

In cooperation with the

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

& the CITY OF GLENS FALLS

Small Business Recovery Fund

Application Packet

"GLENS FALLS MOVING FORWARD"

September 2020

Small Business Recovery Fund

City of Glens Falls & Greater Glens Falls Local Development Corporation

Deferred Loans to Support Small Businesses within the City of Glens Falls Impacted by COVID-19

Program Summary

The primary objective of the Small Business Recovery Fund (“SBRF”) is to provide working capital and related financial assistance to existing small businesses suffering impacts from the COVID-19 outbreak within the City of Glens Falls. The goal of the SBRF is to support the financial health of small businesses to enable those businesses to prevent, prepare for, and respond to COVID-19, sustain their business operations during the outbreak, and ultimately grow and expand their business activities when conditions allow in the future.

This Program is the result of a collaboration of the U.S. Department of Housing and Urban Development (HUD), the City of Glens Falls, and the Greater Glens Falls Local Development Corporation (GGFLDC) who will oversee the SBRF on behalf of the City.

Types of Businesses

The Program will support established or new businesses located within the City of Glens Falls with the following limitations:

- 20 or fewer full-time or full-time equivalent (FTE) employees
- Owner(s) must be actively involved in the daily operation of the business
- \$2.5 Million or less in annual gross revenue
- In operation since December 1, 2019 or longer
- Lawful business activity as regulated by the State of New York
- Non-profits are eligible ONLY if 51% or more of gross annual revenues are derived from earned income sources

Project Location

Businesses must be located within the City of Glens Falls, or the business applicant must relocate to the City as part of a SBRF-funded project.

Eligible SBRF Project Uses

The following types of business costs are eligible for SBRF assistance:

- Working capital
- Inventory
- Equipment, machinery, furnishings
- Rent for the principal place of business
- Payroll expenses - (to retain jobs or hire more employees)
- Employee benefits - (i.e. health insurance premiums to keep employees covered)
- Debt payments - (only if the debt was incurred prior to April 1, 2020)
- Moving expenses for business items necessary to sustain business operations within the City or relocate a business to the City
- Marketing, advertising, website, and related business development activities

Ineligible Project Uses

- Renovation of homes, buildings, or commercial space
- New construction or building additions
- Acquisition of real property, buildings, and commercial space
- Debt payments if the debt was first incurred after April 1, 2020
- Personal debt (residential mortgages, home equity loans, personal loans)
- Political and/or religious activities or functions
- Any business costs incurred prior to April 1, 2020
- Costs being paid for or subsidized by other COVID-related relief programs or other local, state, or federal public economic development funding sources

SBRF Financing Terms

SBRF assistance will be in the form of a Deferred Loan to the applicant business. The general criteria below will be followed regarding the amount and type of SBRF assistance and the Loan terms that will be available to eligible applicants.

- Loans between \$1,000 and \$7,500 will be considered.
- Loans will not require matching funds from the Owner(s).
- Loan payments will be deferred for the first 18 months after approval by the Project Review Committee, and if at that time the applicant has remained in business with at least one business location within the City of Glens Falls, the Loan will be forgiven.
- If the business relocates outside the City of Glens Falls within 18 months after approval by the Project Review Committee but remains in operation, 100% of the principal Loan amount will be subject to a 12-month repayment term, at a fixed APR of 3%. This includes businesses that may retain a Glens Falls mailing address but are substantially operating outside of the City, as determined on a case-by-case basis by the GGFLDC.
- If the business ceases operations within 18 months after approval by the Project Review Committee, the Loan principal will be subject to a maximum 36-month repayment term, at a 0% interest rate. The GGFLDC Board will retain the authority to waive all or partial repayments of the Loan on a case-by-case basis.

Job Creation / Retention Requirement

Prior to Loan approval, each applicant must submit documentation to the Project Review Committee regarding compliance with the Job Requirement as outlined in the separate Program Guidelines (see Section 1.4). The City will define job creation and/or retention as follows:

- Part-time jobs must average at least 20 hours per week on an annual basis or seasonal basis, depending on the operating nature of the business.
- The Job Requirement may be satisfied if the Owner qualifies as low-or-moderate income at the time the SBRF Loan is approved, and if that Owner works in the business as his or her primary full-time occupation.
- Retention of existing jobs (including the Owner if the Owner works full-time in the daily operations of the business) will count towards the Job Requirement.
- If the Owner does not qualify as low-or-moderate income as a one-person household, the Owner will be required to retain an existing part-time job or create at least one new part-time job held by a low-or-moderate income person within 60 days of being approved.

Loan Review and Approval Process

The primary steps with respect to the review process for SBRF applicants, subject to any revisions made periodically by the GGFLDC, are summarized below:

- Submission of a completed **SBRF Application**, an initial eligibility review, and the **Determination of Eligibility** by the Project Review Committee (in writing);
- Underwriting by the Project Review Committee to prepare a **Demonstration of Need** to ensure the SBRF funding is necessary and reasonable, and certification by the business Owner that there is no duplication of other COVID-19 relief benefits received or pending to be received by the applicant and to be used for the same purposes as the SBRF;
- Consideration of the SBRF Application and supporting materials at a formal **Project Review Committee** meeting;
- Action taken on each **SBRF Application** (approval, denial, or tabled) and a Letter sent to the applicant regarding the Committee decision, including any recommendations for the applicant to modify their Application if they seek to be reconsidered at a later date;
- **Loan Closing** to execute agreements and any security instruments and discuss SBRF disbursement procedures and schedules.

Application Requirements

For a complete SBRF Application, submit the following information:

- Completed and signed Application
- 2019 Financial Statements (profit & loss statement and balance sheet)
- 2020 Financial Statements - YTD
- 2019 corporate and/or individual Federal Tax Return (for all Business Owners)

If the business is a corporation or partnership, provide a copy of organizational documents / partnership agreement(s) and including the certificate of incorporation and any shareholder agreements

If an LLC: articles of organization and current operating agreement

- Personal Financial Statement from each principal of the business
(Use the SBA Form 413 or similar)
- Bank Statements (Business Savings, Checking Accounts) for the past three (3) months
- List of any current or open Federal Tax Liens, Judgments, Sales Tax Liens, or any agreed upon deferred or scheduled payment plans with the IRS or New York State
- Credit Authorization and Consent Form (attached)

Submit the Application and Supporting Documents by regular mail to:

City of Glens Falls
Office of Community Development
City Hall
42 Ridge Street
Glens Falls, NY 12801

For general or specific program questions, contact Jim Thatcher of C.T. Male Associates, the City's CDBG Consultant, at 518-390-0944 or by Email j.thatcher@ctmale.com

Small Business Recovery Fund

City of Glens Falls & Greater Glens Falls Local Development Corporation

Application

APPLICANT INFORMATION	Date:
Name of Business:	_____ Corporation
Business Location:	_____ Partnership
	_____ Sole Proprietorship
Mailing Address:	_____ LLC
Landlord (if you lease space):	_____ Start-Up (within 6 months)?
Rent Paid for Business Space:	Number of Employees:
Your Preferred Phone #:	E-mail:
BUSINESS OWNERSHIP	
Name:	% Ownership:
Name:	% Ownership:
Name:	% Ownership:
Note: Applicants <u>must</u> disclose all family or business relationships with any current employees or elected officials of the City of Glens Falls.	
Name:	Relationship:
Name:	Relationship:
Answer the questions below that are applicable to your Business:	
How long have you owned and operated the Business?	_____
Do you as the Owner work full-time to manage and operate the Business?	Yes ___ No ___
Have you or any principals of the Business ever filed for bankruptcy?	Yes___ No___
Are there any unsatisfied judgments or liens against you or other principals?	Yes___ No___
BUSINESS PROPERTY / FINANCIAL CHARACTERISTICS	
Is your Business in good standing with the State of New York?	Yes___ No___
Are you in default on any loans secured by the Business?	Yes___ No___
Do you currently operate the Business out of your home residence?	Yes___ No___
Are you seeking to relocate the Business? Y___ N___ If Yes, where? _____	

COVID-19 INFORMATION

Provide a brief description (a few sentences) of how your business has been impacted by COVID-19, in terms of sales, revenues, hours of operation, payroll, business expenses, loss of customers or suppliers, cost of goods and services, or any other factors you feel is relevant to your request for financial assistance.

NOTE: The Community Development Block Grant (CDBG-CV) Program funding awarded to the City of Glens Falls for this Small Business Recovery Program cannot be used for capital building renovations, new building construction, real property acquisition, or other physical building improvements.

Provide a brief list or explanation of how you intend to use the SBRF funding if this Application is approved, and how Deferred Loan funds could help your business during the pandemic:

SBRF Funding Request:	\$ _____ (\$7,500 is the current maximum per eligible Application)
Have you received other COVID-19 or similar Public relief funds since March 1, 2020? If YES, please fill in the applicable info to the right:	\$ _____ / Source:
	Purpose or Use:
	\$ _____ / Source:
	Purpose or Use:

SIGNATURE(s)

I (we) attest that the information contained in this Application is correct and true. I (we) am (are) interested in pursuing SBRF funding from the City of Glens Falls.

Signature Date

Signature Date

Small Business Recovery Fund

City of Glens Falls & Greater Glens Falls Local Development Corporation

Supporting Documents

Please provide the following information with your completed and signed Application form:

- Personal Financial Statement for each principal of the Business
(Use the SBA Form 413, attached)
- 2019 Financial Statements (profit & loss and balance sheet for a 12-month period)
- 2020 Financial Statements – YTD
- 2019 corporate and/or individual Federal Tax Return (for all Business Owners)
- Business Organizational Documents
- Bank Statements (Business Savings, Checking Accounts) for the past three (3) months
- List of any current or open Federal Tax Liens, Judgments, Sales Tax Liens, or any agreed upon deferred or scheduled payment plans with the IRS or New York State
- Credit Authorization and Consent Form (attached)

Submit the Application and Supporting Documents by regular mail to:

City of Glens Falls
Office of Community Development
City Hall
42 Ridge Street
Glens Falls, NY 12801

The City of Glens Falls and the Greater Glens Falls Local Development Corporation (GGFLDC) are collecting business, financial, and project information to assist owners of eligible small businesses with funding support offered through the Entitlement Community Development Block Grant (CDBG-CV) Program as enacted by the federal CARES Act, March 27, 2020 and awarded to the City of Glens Falls for various COVID-19 relief efforts by the U.S. Department of Housing and Urban Development (HUD).

Discrimination is prohibited by Federal Law.



PERSONAL FINANCIAL STATEMENT 7(a) / 504 LOANS AND SURETY BONDS

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

Return completed form to:

For 7(a) loans: the Lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name	Business Phone
-------------	-----------------------

Home Address	Home Phone
---------------------	-------------------

City, State, & Zip Code

Business Name of Applicant

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....	\$ _____	Accounts Payable.....	\$ _____
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others.....	\$ _____
IRA or Other Retirement Account.....	\$ _____	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$ _____
Accounts & Notes Receivable.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other).....	\$ _____
Life Insurance – Cash Surrender Value Only.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$ _____
Stocks and Bonds.....	\$ _____	Mortgages on Real Estate.....	\$ _____
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ _____	Unpaid Taxes.....	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ _____	Other Liabilities.....	\$ _____
(Describe in Section 5, and include Year/Make/Model)		(Describe in Section 7)	
Other Personal Property.....	\$ _____	Total Liabilities.....	\$ _____
(Describe in Section 5)		Net Worth.....	\$ _____
Other Assets.....	\$ _____		
(Describe in Section 5)		Total	\$ _____
Total	\$ _____	*Must equal total in assets column.	

Section 1. Source of Income.	Contingent Liabilities
Salary.....	\$ _____
Net Investment Income.....	\$ _____
Real Estate Income.....	\$ _____
Other Income (Describe below)*.....	\$ _____
	As Endorser or Co-Maker.....
	\$ _____
	Legal Claims & Judgments.....
	\$ _____
	Provision for Federal Income Tax.....
	\$ _____
	Other Special Debt.....
	\$ _____

Description of Other Income in Section 1.

*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature _____

Date _____

Print Name _____

Social Security No. _____

Signature _____

Date _____

Print Name _____

Social Security No. _____

NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: According to the Paperwork Reduction Act, you are not required to respond to this request for information unless it displays a valid OMB Control Number. The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information collection, please contact: Director, Records Management Division, Small Business Administration, 409 Third Street SW, Washington, D.C. 20416, and SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. PLEASE DO NOT SEND COMPLETED FORMS TO OMB.

Greater Glens Falls Local Development Corporation

Credit Authorization

Date:

In connection with my application for a Deferred Loan through the Greater Glens Falls Local Development Corporation, I hereby authorize you to investigate my credit worthiness as part of the loan review process, if required.

Name: _____

Social Security Number: _____

Date of Birth: _____

Current Home Address: _____

Signed: _____

Print Name: _____

Consent

I (we) authorize the Greater Glens Falls Local Development Corporation (GGFLDC) to order credit reports and/or other financial background information on my (our) personal and business financial background. I (we) authorize disclosure of all information submitted in connection with this application to any financial institution in consideration of any assistance that may be provided. I (we) waive all claims against GGFLDC and its consultants.

I (we) attest that to the best of my (our) knowledge and belief, the information contained in the foregoing application and its attachments is correct and true. I (we) an (are) aware that the filing of a false instrument in connection with this application may constitute an attempt to defraud the GGFLDC and may be a felony under the laws of New York State and federal government.

Signature

Date

Print Name

Title

Signature

Date

Print Name

Title