PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Friday, May 15, 2020
TIME: 12:00 PM
LOCATION:

The Portland Development Corporation Board meeting is not required to take public comment, and this will continue during remote meetings.

You are invited to a Zoom webinar.
When: May 15, 2020 12:00 PM Eastern Time (US and Canada)
Topic: Portland Development Corporation Board Meeting

Please click the link below to join the webinar:
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International numbers available: https://zoom.us/u/aTZM0CDpV

AGENDA

1. President's comments

2. Review and vote on draft meeting minutes for Board meetings held on April 16 and 23, 2020.

   a. See attached draft meeting Minutes of April 16, 2020.

   b. See attached draft meeting Minutes of April 23, 2020.

3. Review, discuss and vote on process and launch of PDC COVID-19 Programs.

   a. See attached Memorandum and backup.

4. Other Items to be discussed/brought up by Board Directors

5. Next Regular Meeting Date: May 21, 2020/CANCELED; June 18, 2020

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on April 16, 2020

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, April 16, 2020. Present from the Board were Directors Tim Agnew, Councilor Tae Chong, James Dowd, Tom Dunne, Blaine Grimes, Jon Jennings, Jeffery Hicklin, and Briana Volk. Board President Julie Viola could not be attendance, as well as Directors Steve Lovejoy and Laura Reading. Present from the City staff were Business Programs Manager Nelle Hanig, Outreach and Initiatives Coordinator from OEO Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Grant/loan underwriters Vin DiCara and David McLaughlin were also present.

Board Treasurer Ms. Grimes chaired the meeting.

Item #1: President's Comments

Ms. Grimes noted that the Board will take up agenda items in public as much as possible and would then go into executive session to review proprietary information as needed, after which it would come out of executive session and vote publicly. Votes on motions would be done via roll call.

Item #2: Review and accept Minutes of the January 30, 2020 Board meeting.

On made by Mr. Jennings, seconded by Mr. Hicklin, the Board voted 5-0-3 (Dowd, Dunne, Volk abstained) to accept the Minutes as published.

Item #3: Review and vote on Brownfield grant request from Portland Housing Authority for the affordable housing project on Front Street.

Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss proprietary information regarding this loan application.

Ms. Hanig introduced this item noting that Portland Housing Authority (PHA) is requesting a $125,000 Brownfield grant to assist with cleanup for the Front Street affordable housing project. PHA will be demolishing 50 units of public housing that are at the end of their useful life, and in their place construct 105 units of affordable mixed-income apartments. This will include open space for use by residents. She then introduced Jay Waterman from PHA.

Mr. Waterman thanked the Board for their time. He noted that the 50 units of housing that will be demolished have been there for 50 years and were built as temporary housing, so not built to a great standard and on a former City dump. CDBG funds of $250,000 will be used to partially cover the costs of temporarily relocating 28 families during Phase I of the project. Brownfield cleanup funds will be used for hazardous material removal and soil remediation. The project has its building permit from the City for development. Work continues on design and financing the project. The total cost of construction for Phase I is $13 Million; Phase II $7.5 Million.

Mr. Dunne asked about the balance of the Brownfield Grant fund after this project and are there any others on the horizon.

Ms. Hanig said that there will be approximately $250,000 remaining after approval. In the future, there may be a request for grant funding for redevelopment of the former Maria's Restaurant site located on Cumberland Avenue.

Councilor Chong said that he is pleased with this project, and asked if a community center was part of the design and the financing package. Mr. Waterman described the various sources of funding, noting that Phase I is the area between Illsley and Front Streets and it does include a community center.

There being no further questions, Mr. Dunne made a motion to approve the Brownfield grant as recommended by staff; Councilor Chong seconded the motion. Ms. Grimes then took a roll call vote on the motion and it passed unanimously (8-0).

Item #4: Review and vote on a recommendation to the City Council regarding loan guidelines for a proposed City of Portland Emergency Microloan Program.

Ms. Hanig said this is a completely new loan program designed for businesses with between 4 and 15 employees who need assistance during the COVID-19 Pandemic. Loans would be up to $15,000, with $5,000 forgiven based on employee levels as of February 1, 2020. Two proposed scenarios for the $5,000 forgiveness are either the same number of full- and part-time employees are hired back that worked there as of February 1, 2020, or the current number of full- and part-time jobs at the business on February 1, 2020 were maintained. She then described the proposed loan guidelines and the source of funding being the PDC Unrestricted funds, of which up to $400,000 could be available.

Ms. Hanig noted that the recent Federal funding has been used up, and that the proposed guidelines would need City Council approval.

There was discussion by Board members that getting back to full staff, or maintaining full staff, may too high a threshold for businesses. It is more important to assist the business to stay open.

There was then discussion on process and making decisions, i.e., based on the business being healthy in 2019, looking at credit scores, personal financial statements, and the business' own resources.

Councilor Chong asked about the target audience, if it would be first-come first-serve, and what about assistance for sole proprietors.

Mr. Hicklin also shared the concern for sole proprietors.

Mr. Jennings noted the target audience is for the City to help smaller businesses stay afloat.

Discussion continued and, based on that discussion, Mr. Agnew suggested the following:

- Business would not be eligible if it received another COVID loan or grant;
- $5K forgiven if 1/3 of employees are back within a year;
- no limit on number of employees, but minimum of 1;
- Sunset 12/31/2020;
- Cap of $400K for this program from the PDC unrestricted funds;
- Two year loan term; renegotiate if needed.

Mr. Dunne suggested a first round of funding capped at $250,000, with a second round, if needed, capped at $150,000.

Councilor Chong would support a first and possible second round of funding, and suggested reaching out to unsophisticated businesses to alert them of this program.

Ms. Volk asked if a business could apply for the first round loan funds at $250,000, and again for the second round of loan funds at $150,000. Board consensus was the business could apply for one loan.

Ms. Grimes asked staff if it would be approving the loans or the Board, and Mr. Jennings said that for transparency purposes all loans should be brought to this Board.

The Board and staff discussed number of employees for eligibility in this loan program, with consensus being eligible for businesses with 1 to 8 employees, and, with one-third back or still employed, $5,000 would be forgiven.

Regarding criteria, Mr. Jennings recommended that staff come back with draft criteria; but this can still be forwarded to the City Council.

Councilor Chong made a motion to forward the Emergency Microloan Program to the City Council utilizing up to $400,000 of the PDC unrestricted funds, with this Board designing process for the first $250,000 and then the remaining $150,000 at its discretion; up to $10,000 maximum loan limit; minimum of 1 to 8 employees; goal to have one-third (1/3) rehired within a year; business cannot have received any other COVID-19 funding assistance; not first-come first served; have staff come back here to determine process/criteria; loan repaid within two years; sunset 12/31/2020.

Ms. Volk seconded the motion, and Ms. Grimes took a roll call vote and it passed unanimously (8-0).

Items #5, #6, &8 on the Agenda: Mr. Mitchell recommending tabling these items; Board concurred.

Item #7: Review and vote on proposed loan modifications to:

a) Forefront Partners I LP, Thompson's Point;
b) Inn at Diamond Cove, Great Diamond Island;
c) Rosemont Market, 832 Stevens Avenue;
d) Union Bagel, 147 Cumberland Avenue;
e) SB & LC, 314 Warren Avenue.

EXECUTIVE SESSION: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Board will go into executive session to discuss proprietary information regarding these loan modifications. After the executive session, the Board will vote in public session.

On motion made Mr. Jennings, seconded Mr. Dunne, the Board voted unanimously to go into executive session at approximately 5:00 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-a to discuss proprietary information regarding these loan modifications. (Mr. Jennings left the meeting during the executive session.) At approximately 5:35 p.m., the Board came out of executive session.

Forefront Partners I LP, Thompson's Point

On motion made by Mr. Agnew, seconded by Mr. Dunne, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and loan underwriter.

Inn at Diamond Cove, Great Diamond Island

On motion made by Mr. Dunne, seconded by Mr. Hicklin, the Board voted unanimously (7-0) to approve the loan modification with a five-year extension, as opposed to a three-year extension.

Rosemont Market, 832 Stevens Avenue

On motion made by Mr. Hicklin, seconded by Mr. Dunne, the Board voted unanimously (7-0) to approve the loan modification with a 10-year extension, as opposed to a three-year extension.

Union Bagel, 147 Cumberland Avenue

On motion made by Councilor Chong, seconded by Ms. Volk, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and underwriter.

SB and LC, 314 Warren Avenue

On motion made by Councilor Chong, seconded by Mr. Agnew, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and underwriter.

On motion made by Councilor Chong, seconded by Mr. Hicklin, the Board voted unanimously (7-0) to adjourn the meeting at approximately 5:44 p.m.

Respectfully, Lori Paulette

Minutes

Portland Development Corporation

Remote Zoom Meeting

Held on April 23, 2020

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, April 23, 2020. Present from the Board were Directors Tim Agnew, Councilor Tae Chong, James Dowd (as noted herein), Tom Dunne, Blaine Grimes, Jeffery Hicklin, Steve Lovejoy, and Laura Reading. Board President Julie Viola could not be attendance, as well as Directors Jon Jennings and Briana Volk. Present from the City staff were Business Programs Manager Nelle Hanig, Outreach and Initiatives Coordinator from OEO Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Grant/loan underwriter David McLaughlin was also present.

Board Treasurer Ms. Grimes chaired the meeting.

Item #1: President's Comments

Ms. Grimes noted that there are updates to the three proposed programs from last week's Board meeting.

Ms. Hanig said that in order to have all three programs work together, there have been additional updates to the now called "Rapid Response Loan Program" (RR), as well as the COVID-19 BAP Program and the Microenterprise Grant Program. The intent is that no business gets more than $5,000 in grants. The RR is now proposed to be back to the maximum loan amount of $15,000, rather than $10,000 as the Board recommended, as it makes sense with the other two programs. Also, 1/3 employees back within a year was recommended at the last Board meeting. It is being recommended that RR have the same provisions as the COVID-19 BAP (BAP) Grant Program, that is at least two full-time employees (FTE) be back within 9 months of loan/grant agreement, or 6 months after that the Stay at Home order is lifted, whichever comes first.

Councilor Chong would recommend up to the $10,000 in loan funds in the RR to help more businesses, and generally agreed with the two full-time employees. With regard to the latter, is the business owner considered an FTE?

Ms. Hanig said that with RR and BAP, the business owner is not counted toward to the 2 FTE.

Ms. Grimes asked what the funding would be for the BAP and Micro Grant Programs.

Mr. Mitchell said that recommendations are being advanced to the City Council, using CDBG Funding. There is a recommendation now for $77,000 for the BAP, and funding for the Micro will be based on another upcoming round of HUD funds under discussion that could fund the Microenterprise Grant Program and add funding to BAP with potentially $200,000 more.

Mr. Agnew asked if there would also be funding for the regular BAP program, and Mr. Mitchell indicated in the negative at this time.

Ms. Grimes asked if the Micro was a $5,000 grant or a $2,500 grant, and Ms. Hanig clarified the Microenterprise Grant Program to be $2,500.

(Mr. Dowd joined the meeting.)

Councilor Chong indicated that getting more employees hired is key, noting that CDBG requirements are moving to job creation and retention.

Board and staff discussed the proposed RR guidelines that the business has to hire 2 FTEs, as well as timeline. Consensus was the lower of either 50% of employees or two employees rehired or on the payroll 9 months after loan agreement is signed, or 6 months after Stay at Home Order is lifted.

Mr. Hicklin questioned which Stay at Home Order, the State's or the City's, while also noting some businesses may be able to open earlier than others.

Mr. Agnew agreed, it needs to be clear which Stay at Home orders are being lifted, and make it business specific. Noted consensus was the City of Portland's Stay at Home Order.

Ms. Grimes asked the Board about the maximum RR loan amount being proposed now by staff at $15,000.

Ms. Hanig said that she is hearing many will be applying for $5,000 but some will want $15,000 available.

There was discussion on the maximum loan amount with general consensus at $10,000, noting criteria that the business has been turned down by Federal or State assistance, or has not tried.

Mr. Dunne then noted a need for a baseline to say no to some of the applicants and not be on a first-come first serve basis, with staff and Board using their judgment to serve various communities.

Mr. Agnew suggested bringing in some criteria in other programs. Regarding timing and deadlines, it should be left to the Board's discretion to establish deadlines to review a pool of applicants and then to another pool.

Ms. Grimes suggested that a newly formed business at high risk would be difficult to fund.

Mr. Dunne noted the program has criteria, as well as noting Board has discretion.

There followed discussion about target audience, minority population, business serves a low to moderate income population, hiring indigent people.

Mr. Dowd noted that he needed to leave the meeting, but indicated some of the above would be difficult to administer and prove.

Ms. Grimes added that ideally the RR loan program will be able to help fund a diverse number of businesses.

Mr. Agnew noted that he is fine with the high level of criteria in the guidelines, and that the business should be viable and have potential to create jobs.

Mr. McLaughlin said that he was recently at GPCOG, and the PDC can expect the demand to be high.

Regarding deadlines, it was the Board consensus that it should have the discretion to impose deadlines for applications, as well as what types of business that could apply to leave open for a diverse mix of applications to come in.

Ms. Grimes thanked the Board for providing feedback to staff, noting it may take one more meeting for a recommendation to the City Council.

COVID-19 BAP

Ms. Hanig said that the BAP maximum grant is proposed at $5,000 for the rehiring/re-creating 2 jobs. Criteria includes most of RR criteria, as well as career potential, compensation, and benefits. Ms. Hanig noted that with this and the Microenterprise program, she still needs to run them by CDBG folks and then on to the City Council.

Ms. Reading asked about getting the grant funds to applicants, and Ms. Hanig indicated this is a reimbursement program based on documentation from the business.

Mr. Agnew asked about how quickly the jobs need to get created, and Ms. Hanig indicated that at the latest within 9 months of signing the grant agreement.

Ms. Hanig asked if the Board would prefer to have guidelines the same as RR, that is bring back 50% of employees – being low to moderate income employees for this program, and the Board consensus agreed.

Ms. Grimes noting no further feedback, the Board would move to the Micro program.

Micro Grant Program

Ms. Hanig said that this grant program would be for those businesses with no more than one FTE who is a low to moderate income individual. The target clientele are for those businesses which lease space, and need funds to continue to lease. She asked if co-working space should also be included.

Councilor Chong indicated in the affirmative, as well as commercial kitchens.

Mr. Agnew asked if a business does not lease space but has expenses, could that business qualify, with Ms. Grimes asking if it was a HUD requirement.

Ms. Hanig indicated that it was not a HUD requirement; staff wanted to avoid businesses paying themselves.

Councilor Chong said that the business would have to document actual expenses if did not lease space.

Mr. Lovejoy suggested that an ineligible expense be hiring a family member, and Ms. Hanig said that she will add that in and to the two other programs as well.

Ms. Grimes noted that the business in existence date should be the date of the declared emergency, which is January 31, 2020, not February 1, 2020; Mr. Hicklin concurred.

Ms. Hanig thanked the Board and indicated that she could incorporate this feedback into the guidelines and would arrange for a Board meeting early next week.

Ms. Reading asked for clarity on loan payments beginning and being forgiven at that meeting.

The Board then discussed when to meet next week, and, after a show of hands, it was set for Tuesday, April 28, at Noon.

Noting the time, consensus of the Board was to table the remaining items on the Agenda.

On motion made by Councilor Chong, seconded by Mr. Hicklin, the Board voted unanimously to adjourn at approximately 5:47 p.m.

Respectfully, Lori Paulette

CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

MEMORANDUM

TO:	President Julie Viola and PDC Board Members
FROM:	Nelle Hanig, Business Programs Manager
CC:	Greg Mitchell, Economic Development Director
DATE:	May 11, 2020
RE:	**Application and Review Process for COVID-19 Financing Programs**

OVERVIEW

The COVID-19 financing programs will be launched on May 19th, the day after the City Council decides how Portland's COVID-19 CDBG funds will be allocated. Staff is hopeful that the Business Assistance Program for Job Creation (BAP-Rehire) and the Microenterprise Grant Program (MGP) will each receive funding. Staff has requested that whatever funding is provided for these two programs that there be flexibility to move funds from one program to another depending on where they are most needed.

FUNDING AND TIMELINE

As you know, the PDC has set aside $400,000 for the Rapid Response Microloan Program (RRMP), with $250,000 for the first round. From Portland's **FY2021 CDBG funds,** $77,000 has been approved by the Council for BAP-Rehire. Note that these funds will not become available until July 1, 2020, whereas the **COVID-19 CDBG funds** will be available immediately.

Based on the PDC's interest in having a deadline for applications, staff is recommending that the deadline be 4:00 on Thursday, June 4th. That will provide a little more than two weeks from the launch on Tuesday, May 19th for businesses to prepare and submit their applications. This will be the first round deadline for the Rapid Response Microloans Program and perhaps the only round for the BAP-Rehire and Microenterprise Grant Programs if the funding received is not substantial. Guidance from the Board on whether to have two rounds for these programs as well would be appreciated helpful.

MARKETING

A journey map was created by staff to help interested businesses understand the City's three COVID-19 programs relative to their eligibility to apply, differences among the three programs and which would best meet their needs. This map is already posted on the City's website and is also attached to this memo. In addition, a one-page guide has also been created for distribution as well as posting to the website. That document is also attached.

Once the programs are launched on May 19th, the day after the City Council approves final CDBG funding for the two programs, a press release will be issued. In addition, the journey map as well as the one-page guide will be distributed to the following organizations and agencies to provide to their constituents with links to the application and the guidelines. These organizations include Creative Portland (arts businesses, Office of Economic Opportunity (immigrant-owned businesses), Portland Community Chamber (businesses in a range of sectors), Visit Portland (hospitality businesses), Portland Buy Local (small, locally-owned businesses), Bill Needelman and the Waterfront Alliance (marine businesses), an informal Portland restaurant group (with 60 members) and Portland Downtown (businesses within the PD's boundaries of Franklin Arterial to State Street and Cumberland Avenue to Commercial Street).

APPLICATION

The application has been drafted by a team of Economic Development staff (Angelina Klouthis (OEO), Julia Trujillo (OEO) and Nelle Hanig. A pdf of the application is attached for the Board's information. The application, which was created in Google Forms, starts out as one document, asking all pertinent questions that apply to every business. It then breaks off into three sections, depending on each applicant's eligibility for a particular program and their needs. Those that are not eligible due to receiving funds from SBA and/or FAME or not being a Portland business will have been "rejected" after answering just a few initial questions.

Confidential documents such as personal financial statements and tax returns can be easily attached to the application and, importantly, will be secure. If an applicant doesn't have Google Docs on their computer they are instructed how to download it or, alternatively, to print out a pdf, fill it out and attach documents to their email.

PROCESS

Once a business submits an application via Google Forms it is received by the City and becomes part of a spreadsheet that will include responses to each question, whether multiple choice, narrative or attachment. (Applications submitted by PDF will be incorporated into Google forms by staff.) The applications can then be categorized in numerous ways, the most helpful likely program applied for and business sector.

The process for review is continuing to be refined by staff, but to date it is as follows:

Staff: Review applications for completeness, organizes them into programs and sectors and makes assignments to underwriters;

Underwriters: Assigned applications by program and possibly by sector for ease of review. Review will be based on pre-COVID-19 financial documents. They will determine historical trend, working capital, leverage (debt to equity), debt service coverage, credit worthiness and the sustainability of the business. With no more than a page of narrative, the underwriter will assign a score: High risk (1 or 2), moderate risk (3 or 4) and low risk (5 or 6), with the higher number in each level of risk being the stronger score, and provide narrative and score to staff.

Staff: Review all criteria (e.g., average wage, employee benefits, timeline for rehiring, commitment to social benefit, etc., and assign scores for each item ranging from 1 as the lowest to 4 being the highest: Meets minimum level of expectations (1), Fair (2), Good (3) Excellent (4). The descriptor for each score is still being refined.

Materials PDC Will Receive: For each applicant there will be 1) combined score, 2) underwriter's score and one page underwriter's narrative and 3) staff score and one-page staff narrative. These will be provided to the PDC on a spreadsheet with hyperlinks to the narratives. Depending on the number of applications under consideration, the PDC will either receive all of the applications or those with the highest scores. Staff will organize them by business sector as well as by score.

PDC Board Meetings: Depending on the number of eligible applications that are complete and/or score above a certain number, they will determine the number of times the PDC will need to meet and for what length of time for discussion and voting. Without knowing how many applications will come in and how quickly, at this time staff, is recommending a two hour meeting, both on June 11th and again on June 18th. Staff is recommending that applicants not present to the board as that will take an enormous amount of time. All will be welcome to attend the PDC's public meetings.

SUMMARY OF POLICY DISCUSSIONS FOR STAFF DIRECTION

Funding

The City Manager's recommendations for the COVID-19 CDBG funds will be available for Friday's PDC Board meeting. As noted, the City Council approved $77,000 to capitalize the BAP- Rehire Program. Dependent upon the City Council approved COVID-19 funding allocation for the two new CDBG grant programs, staff recommends approximately 60% percent be set aside for the BAP-Rehire Program and 40% for Microenterprise Grant Program.

Subject to receiving a large quantity and high quality of applications for one, two or all three programs, staff seeks the latitude to return to the Board for reconsideration of the two round format to fully utilize all of the funding in a single round for one, two or all three programs (including the City funded Rapid Response Microloan Program).

Staff is seeking guidance from the board on the amount of funding for round one for the CDBG-funded programs and the reconsideration of a two round format depending on the quality and quantity of applications received by June 4, 2020.

Information Received by Board

Based on the information staff is proposing to provide to the board, is it acceptable or would more information or a different mix of information be preferred. As noted above and depending on the amount and quality of applications received, the Board would receive for every eligible and complete application OR for the highest scoring perhaps 40-50 businesses the following: 1) combined score, 2) underwriter's score and one page underwriter's narrative and 3) staff score and one-page staff narrative. These will be provided to the PDC on a spreadsheet with hyperlinks to the narratives.

Staff is seeking guidance on the quantity of applications (all or highest scoring) it will receive for funding consideration and the level of information provided for each.

Schedule

Staff is recommending that applications be due no later than June 4th, providing a little more than two weeks for applicants to prepare and submit applications. Further, we are recommending that the board meet twice for two hours on June 11th and again on June 18th to review the first round of applications that will have been processed by staff and the underwriters. It is not anticipated that applicants will come before the board given the time that would require.

Staff is seeking guidance from the board on these proposed dates both for an application deadline and future board meetings.

ATTACHMENTS

Journey Map
One-Page Guide
Pdf of Application
Press Release from May 5th

HOW CAN I GET FINANCIAL SUPORT FOR MY BUSINESS IMPACTED BY COVID-19?

Is your business located in Portland, Maine?

Yes

Did you receive COVID-19 Financing through SBA's PPP, EIDL, or FAME?

NO

You may be eligible to apply for financial assistance from the City of Portland.

How many employees (FTE*) were on your payroll as of January 31, 2020?

0-1

Micro Enterprise Grant
- Up to $2,500 grant
- Owner must be low/moderate income**
- Must lease commercial space

2+

COVID BAP Grant
- Up to $5,000 grant
- 2 rehired FTEs* must be low/moderate income**
- Reimbursement after rehire

2-8

Rapid Response Loan
- Up to $10,000 loan at 0% interest and 2-year repayment term
- Loan payments begin 6 months after loan closing.
- $5,000 forgivable with 50% of staff rehired
- Nonprofits are eligible.

No

GPCOG (Cumberland County ONLY)
https://www.gpcog.org/410/Micro-loan-program
City of Westbrook
https://tinyurl.com/COVIDwestbrook
FAME COVID-19 Programs (Maine ONLY)
https://tinyurl.com/FameMaine
Protection Program (PPP- Federal Program)
Contact your bank directly.

PORTLAND of Opportunity

* Full Time Equivalent (FTE): *1 FTE job= 2 PT jobs.* 1 FTE is at least 34 hours per week, 1 PT is at least 17 hours per week.

**Low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. See table: http://www.portlandmaine.gov/DocumentCenter/Home/View/8939

CITY OF PORTLAND
COVID-19 RELIEF
BUSINESS LOAN AND GRANT PROGRAMS

The City of Portland's Business Loan and Grant Programs are designed to provide financial assistance to Portland businesses impacted by COVID-19. This includes businesses that have remained open, have furloughed some or all of their employees and/or businesses that are preparing to re-open. Available funds are not intended to substitute for COVID-19 federal and/or state financing programs.

HOW DO I APPLY?

- The application and more information is available at: www.edd.portlandmaine.gov
- If you have questions contact edd@portlandmaine.gov

WHICH PROGRAM SHOULD I APPLY FOR?

To determine which program is right for you first identify how many full-time equivalent (FTE)* employees were on your payroll on January 31, 2020.

- 0-1 Employees = MicroEnterprise Grant
  - Grant up to $2,500
  - Business owner must be low/moderate income**
- 2-8 Employees= Rapid Response Microloan
  - Loan up to $10,000 at 0% interest for 2-year term, loan payments begin 6 months after closing
  - Up to $5,000 forgivable if rehire/retain 50% of employees
  - < $1 million in sales
- 2+ Employees = COVID-19 BAP for Rehiring
  - Grant up to $5,000
  - Rehire 2 or more FTE employees
  - Employees must be low/moderate income**
-

If your business is not located in Portland but is in Cumberland County, you may be eligible for GPCOG's Rapid Response Program https://www.gpcog.org/410/Micro-loan-program

DEFINITIONS

* 1 FTE job is at least 34 hours/week or 2 part time jobs with each at least 17 hours/week

** 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

WHAT CAN I USE THE FUNDS FOR?

- Working capital expenses (e.g., rent, utilities, payroll, insurance, inventory);
- And more depending on ths program.

- Refinance existing debt;
- Down payment for other financing;
- Funds cannot be used to pay owner;
- Other restrictions apply

WHAT WILL I NEED TO APPLY?

You will need to submit documentation with your application including:

- Payroll from January 31, 2020 showing number of full and part-time employees;
- Personal financial statement from all owners of the business with 20% ownership or greater (for loans);
- 2018 and 2019 business tax returns;
- Balance Sheet for 2019 and Profit and Loss for 2019;
- Commercial lease with monthly rent noted as well as CAM charges if have NNN lease.
- IRS Form 491 or 990 as applicable.

WHAT HAPPENS AFTER I APPLY?

Staff will review each application to ensure that it is complete. An underwriter will review the businesses financials and prepare a report for the Portland Development Corporation (PDC), the City's lending and granting board. The PDC will review those reports and approve the applications that best meet the program criteria. Approved applicants will work with City staff to sign program agreements. Loans will require:

- Unlimited personal guarantees from all those with ownership in the business of 20% or greater
- UCC-1 on all business assets regardless of lien

The City of Portland COVID-19 Financial Assistance Application

The City of Portland's Business Loan and Grant Programs are designed to provide financial assistance to Portland businesses impacted by COVID-19. This includes businesses that have remained open, have furloughed some or all of their employees and businesses that have closed temporarily. Available funds are not intended to substitute for COVID-19 federal and/or state financing programs.

Application due by June 4th, 2020 at 4:00 pm.
* Required

1. Email address *

____

2. Race

Mark only one oval.

- ( ) American Indian or Alaska Native
- ( ) Asian
- ( ) Black or African American
- ( ) Native Hawaiian or Other Pacific Islander
- ( ) White

3. Hispanic, Latino, or of Spanish origin

Mark only one oval.

- ( ) Yes
- ( ) No

4. What is your preferred language?

____

Eligibility	Business must be located in the City of Portland to apply. If your business has received COVID-19 financial assistance from the Federal Government (PPP/EIDL) or from the State of Maine (FAME), your business is not eligible for the City of Portland COVID-19 Financial Assistance. Please note that receipt of the $1,200 Economic Stimulus Check and/or unemployment benefits does not impact eligibility to apply for the City of Portland COVID-19 funds.

5. Does your business have a City of Portland address? (PO Box is not eligible) *

Mark only one oval.

- Yes
- No

6. Has business applied for CARES Act Federal Financial Assistance through SBA and/or Maine COVID-19 Financial Assistance through FAME? *

Mark only one oval.

- Yes
- No

7. If yes, was the application(s) successful?

Mark only one oval.

- Yes, successful. If successful, you are not eligible to apply for City of Portland COVID-19 financing assistance. Thank you.
- No, not successful or not yet successful.

8. Which best describes your situation? *

Mark only one oval.

- ( ) Applied but rejected by State and/or Federal Program.
- ( ) Applied, but have not heard back on status of application.
- ( ) My business was deemed not eligible to apply.
- ( ) Bank would not accept my PPP application.
- ( ) Effort to apply was too challenging.
- ( ) Did not understand how to apply.
- ( ) Found out about the program too late.
- ( ) Other: ____________________

9. Please attach: Evidence of efforts to access Federal and State resources that were unsuccessful (e.g., SBA Economic Impact Disaster Loan Program, Paycheck Protection Program and FAME COVID-19 Relief Business Direct Loan Program) or an explanation of reasons for not utilizing any of these programs. *

Files submitted:

General Information about Business

10. Business Owner(s) Name *

____

11. Legal Business Name *

____

12. DBA (Doing Business As) if different from legal name

____

13. Business Address: *

14. Zipcode *

15. Business Phone *

16. Cell Phone *

17. Business Type *

Mark only one oval.

- Arts Business
- Business Service
- Childcare
- Events/ Tourism
- Hospitality (Lodging)
- Fishery Related Business
- Food Manufacturing/Production
- Other Manufacturing/Production
- Nonprofit (eligible for Rapid Response ONLY)
- Restaurant/Cafe/ Bar
- Personal Service
- Retail
- Vehicle Repair

18. Business Structure *

Mark only one oval.

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Company (LLC)
- Corporation

19. Date Business First Opened *

Example: January 7, 2019

20. Tax Payer ID (EIN) *Numbers only.* *

21. Description of Business on January 31, 2020 including products and/or services (300 words) *

22. Number of FTEs* on January 31, 2020: (* Full Time Equivalent (FTE): 1 FTE job= 2 PT jobs. 1 FTE is at least 34 hours per week, 1 PT is at least 17 hours per week.) *

23. Did you provide employee benefits to employees on January 31, 2020?

Check all that apply.

- [ ] Health Insurance
- [ ] Paid Time Off (sick, vacation, etc)

24. Please describe how your business benefits the community and any charitable giving/activities you provided in the last year. *

25. Please attach: Payroll from January 31, 2020 showing number of full and part-time employees *

Files submitted:

26. Please attach: Payroll from April 1-30, 2020 showing number of full and part-time employees or IRS Form 941 including April if available. *

Files submitted:

27. Please attach: 2018 and 2019 business tax returns *

Files submitted:

28. Please attach: Personal financial statement from all owners of the business with 20% ownership or greater *

Files submitted:

29. Please attach: Balance Sheet for 2018 and 2019

Files submitted:

30. Please attach: Profit and Loss for 2018 and 2019

31. Please attach: Commercial lease noting monthly or annual rent or mortgage payment. (Lease not required for At-Home Childcare Businesses)

Files submitted:

32. Please attach: Business plan for businesses that were established in 2019;

Files submitted:

Adverse impact of COVID-19 on your business

33. Describe how business has been impacted by the COVID-19 Crisis (Please be specific about the financial impact, etc): *

34. Current Status of Business Due to COVID -19 Crisis: *

Mark only one oval.

- Open and operational with full staff
- Open with limited operations and limited staff
- Open with owner(s) as only staff.
- Closed with all staff furloughed

35. Business Re-Opening Timeline: *

Mark only one oval.

- Business is open.
- Intend to open by June 1
- Intend to open by July 1
- Intend to open by August 1
- Unknown at this time.

36. Business Rehiring Timeline: *

Mark only one oval.

- No staff have been furloughed.
- Intend to rehire by June 1
- Intend to rehire by July 1
- Intend to rehire by August 1
- Unknown at this time.

37. Current Number of Full-Time Staff (Please write 0 if none) *

____

38. Current Number of Part-Time Staff (Please write 0 if none) *

39. How many FTE* do you plan to rehire (One PT= 0.5)?

40. Please list job titles for rehired positions above.

41. What is the average hourly wage for employees you plan to rehire?

Certification, Credit Authorization, and Confidentiality of Records:

To the best of my knowledge, the above information is accurate, and I (we) understand that any false or misleading information I (we)provide may lead to my (our) disqualification form this program. I (we) authorize the City of Portland and/or Portland Development Corporation to make whatever credit inquiries it deems necessary to verify the accuracy of the information provided in connection with the review of this application. I (we) hereby request that information provided by me (us) and developed by the City of Portland and/or the Portland Development Corporation, or its staff or agents, with respect to this application for financial assistance be designated confidential and not open for public inspection, pursuant to 5 M.R.S.A. Section 13119 et sq.Certain records of the City of Portland and/or the Portland Development Corporation are designated CONFIDENTIAL AND WILL NOT BE MADE AVAILABLE FOR PUBLIC INSPECTION. This includes the disclosure of tax or financial information; our assessment of creditworthiness or financial condition; records obtained by the City of Portland and/or the Portland Development Corporation in connection with the monitoring or servicing of an existing project; proprietary information; and, information regarding the financial status of the application.

42. I understand that an electronic signature has the same legal effect and can be enforced in the same way as a written signature. Please type your name below as an electronic signature if you agree.

WHICH LOAN/ GRANT SHOULD I APPLY FOR?	To determine which program is right for you first identify how many full-time equivalent employees (FTE)* were on your payroll as of January 31, 2020. 0-1 FTE* = MicroEnterprise Grant Grant up to $2,500; Owner must be low/moderate income;** Must lease commercial space; Nonprofits may not apply for this program. 2-8 FTE* = Rapid Response Microloan Up to $10,000 loan at 0% interest and 2-year repayment term; Loan payments begin 6 months after loan closing; $5,000 forgivable with 50% of staff rehired; Annual sales must be below $1 million; Nonprofits may apply for this program. 2+ FTE* = COVID-19 Business Assistance Program for Job Creation (Rehiring) Up to $5,000 grant; 2 rehired FTEs* must be low/moderate income;** Reimbursement after rehire; Nonprofits may not apply for this program. * Full Time Equivalent (FTE): 1 FTE job= 2 PT jobs. 1 FTE is at least 34 hours per week, 1 PT is at least 17 hours per week. **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

43. Which grant/loan program would you like to apply for? *

Mark only one oval.

- ⬭ MicroEnterprise Grant (0-1 FTE) *Skip to question 44*
- ⬭ Rapid Response Microloan (2-8 FTE) *Skip to question 46*
- ⬭ COVID-19 Business Assistance Program for Job Creation (Rehiring) (2+ FTE) *Skip to question 49*

MicroEnterprise Grant

The City of Portland's Microenterprise Grant Program (MGP) is targeted to very small businesses with less than two (2) full-time equivalent (FTE) employees. The MGP provides grants of up to $2,500 to existing Portland Microenterprises that have been impacted by the COVID 19 crisis. The definition of a microenterprise for the purposes of this program, is a business that has no more than one FTE employee (which is 1 full-time or 2 part-time employees), as well as the business owner(s) who must be a low/moderate income individual. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both. Funding through this Program cannot be combined with any other PDC COVID-19 Program.

MicroEnterprise Grant Highlights:
Grant up to $2,500;
Owner must be low/moderate income;**
Must lease commercial space;
Nonprofits may not apply for this program.

44. How much money would you like to apply for? Businesses are eligible for up to $2,500. *

45. What do you intend to use the funding for? *

Check all that apply.

- [ ] Rent
- [ ] Utilities
- [ ] Payroll (excludes owner, but may include employee benefits)
- [ ] Inventory
- [ ] Insurance

Rapid Response Microloan

The City of Portland Rapid Response Micro Loan Program (RRMP) is targeted to small businesses that had two (2) to eight (8) employees on January 31, 2020. The RRMP provides loans up to $10,000 to Portland businesses most impacted by COVID-19 that are in danger of closing, have laid-off workers, or have had to close temporarily. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both. Funding through this Program cannot be combined with any other PDC COVID-19 Program.

Rapid Response Microloan Highlights:
Up to $10,000 loan at 0% interest and 2-year repayment term;
Loan payments begin 6 months after loan closing;
$5,000 forgivable with 50% of staff rehired;
Annual sales must be below $1 million;
Nonprofits may apply for this program.

46. How much money would you like to apply for? Businesses are eligible for up to $10,000. *

47. What do you intend to use the funding for? *

Check all that apply.

- [ ] Rent
- [ ] Utilities
- [ ] Payroll (may include employee benefits) *If business is closed, funds may not be used to pay owner.
- [ ] Inventory
- [ ] Insurance

Other: [ ]

48. How many FTEs will you rehire? (Must be at least 50% of employee count on January 31, 2020 for $5,000 to be forgiven) *

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

The City of Portland's COVID-19 Business Assistance Program for Job Creation (Rehiring) provides $5,000 in grant funding to small businesses for rehiring two or more full-time employees or jobs that were on the payroll as of January 31, 2020. The jobs, which must be filled by low/moderate income individuals,* could include previous employees or new employees. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing programs if a business is able to access them. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both. Funding through this Program cannot be combined with any other PDC COVID-19 Program.

COVID-19 Business Assistance Program for Job Creation (Rehiring) Highlights:
Up to $5,000 grant;
2 rehired FTEs* must be low/moderate income;**
Reimbursement after rehire;
Nonprofits may not apply for this program.

49. How much money would you like to apply for? Businesses are eligible for up to $5,000 *

50. What do you intend to use the funding for? *

Check all that apply.

- [ ] Rent
- [ ] Utilities
- [ ] Payroll (may include employee benefits) *If business is closed, funds may not be used to pay owner.
- [ ] Inventory
- [ ] Insurance
- [ ] Business Consulting Services
- [ ] Employee Training

51. How many FTEs* will you rehire? (* Full Time Equivalent (FTE): 1 FTE job= 2 PT jobs. 1 FTE is at least 34 hours per week, 1 PT is at least 17 hours per week.) *

Portland Maine Yes. Google's good here.

Nelle Hanig <nrh@portlandmaine.gov>

RELEASE: Council Approves Three COVID-19 Business Loan and Grant Programs
1 message

Jessica Grondin <jgrondin@portlandmaine.gov> Tue, May 5, 2020 at 12:36 PM
To: Jessica Grondin <jgrondin@portlandmaine.gov>
Bcc: nrh@portlandmaine.gov

NEWS RELEASE

FOR IMMEDIATE RELEASE
May 5, 2020
MEDIA CONTACT
Jessica Grondin
207-272-7885

Council Approves Three COVID-19 Business Loan and Grant Programs

Portland Development Corporation creates a business assistance grant program for rehiring, microenterprise grant program, and rapid response micro loan program to assist Portland businesses needing help due to COVID-19

PORTLAND, Maine -- The Portland City Council voted at its May 4, 2020 meeting to approve three business loan and grant programs designed by the Portland Development Corporation and the City's Economic Development Department in response to the COVID-19 pandemic. The three programs are all intended to assist Portland businesses needing help due to COVID-19. The programs include the Business Assistance Program for Job Creation (Rehiring), the Microenterprise Grant Program, and the Rapid Response Micro Loan Program.

Both the Business Assistance Program for Job Creation (Rehiring) (BAP) and the Microenterprise Grant Program (MGP) have been reviewed by the Community Development Block Grant (CDBG) staff for consistency with US HUD guidelines. Staff will be seeking CDBG funding for two of the programs approved by the City Council. The Portland Rapid Response Micro Loan Program (RRMP) will be funded with $400,000 from the PDC's unrestricted loan funds, with $250,000 focused on the first round of the program. The City Council may approve the programs to receive the City's COVID-19 CDBG funding at its May 18th meeting.

All three business assistance programs will likely be launched on May 19 with applications available on the City's website that day. Over the next few weeks, businesses are encouraged to make sure they have the following documents ready to attach to their applications so they can submit quickly. These include a personal financial statement - from all owners of the business with 20% ownership or greater; 2018 and 2019 business tax returns; Balance Sheet and Profit & Loss for 2019; and a payroll from January 31, 2020 showing number of full and part-time employees at that time.

About the programs:

Business Assistance Program for Job Creation (Rehiring): The City of Portland's COVID-19 Business Assistance Program for Job Creation (Rehiring) (BAP) provides $5,000 in grant funding to small businesses for rehiring two or more full-time employees that were on the payroll as of January 31, 2020. The jobs, which must be filled by low/moderate income individuals, could include previous employees or new employees. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing programs if a business is able to access them. Funding through this program cannot be combined with any other PDC COVID-19 Program.

Microenterprise Grant Program: The City of Portland's Microenterprise Grant Program (MGP) is targeted to very small businesses with less than two employees. The MGP provides grants of up to $2,500 to existing Portland Microenterprises that have been impacted by the COVID 19 crisis. The definition of a microenterprise for the purposes of this program, is a business that has no more than one full time equivalent employee (FTE), which could be 1 full-time or 2 part-time employees, as well as the business owner who must be a low/moderate income individual. Funding through this program cannot be combined with any other PDC COVID-19 Program.

Rapid Response Micro Loan Program: The City of Portland Rapid Response Micro Loan Program (RRMP) is targeted to small businesses that had two to eight employees on January 31, 2020. The RRMP provides loans up to $10,000 with $5,000 forgiven if 50% of employees are hired back within nine months of signing a loan agreement or six months after the applicable Stay at Home or other COVID-19 emergency orders have been lifted with respect to the borrower's type of business, whichever comes first. This program is not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both. Funding through this program cannot be combined with any other PDC COVID-19 Program.

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City Hall is currently closed to the public until May 18.
I am working remotely during this time so please contact me via email and my cell number.
FMI visit www.portlandmaine.gov/COVID19

Sign up to receive city news & alerts
Follow us on Twitter @CityPortland
Follow us on Facebook
Instagram @CityPortland
Report issues via SeeClickFix
www.portlandmaine.gov

KEY INFORMATION	DEFINITION	Joe's Cafe	Art At Your Door	Sailing Adventures
Program (Rapid Response, COVID-19 BAP Rehire, MicroEnterprise)	*Question: "Which grant/loan program would you like to apply for?"*	BAP Rehire	MicroEnterprise	Rapid Response
Amount Requested	*Question: "How much money are you applying for?"*	$10,000	$2,500	$4,750
Business Sector	*Question: "Business Type"*	Restaurant/Cafe / Bar	Arts Business	Events/Tourism
Business Location	*Question: "Address"*	350 Stevens Ave.	12 Preble St.	18 Commercial St.
Business Description	*Question: Please provide a description of the business on January 31, 2020 up to 10-words (products/services).*	Fresh Pressed Juices, Wellness Lattes, Coffee & Tea's and Treats.	oil painting commisoned art	Sailboat tours of Casco Bay Islands
Business owner is from a racially, ethnically or linguistically diverse community	*Question: Race, Ethnicity, Preferred Language.* This answer comes from application data. Will be yes or no or n/a if not provided. No score or value is assigned.	Yes	NA	No
MEASUREABLE ATTRIBUTES - CONFIDENTIAL				
Staff: Number of jobs on 1/31/20	1-2 jobs (includes owner)= 1, 3-5 jobs = 2, 6- 9 jobs= 3, 10+ jobs= 4.	4	0	2
Staff: Benefits for employees	Does the business provide health insurance? Paid time off? yes both= 4, yes health insurance = 3, yes PTO=2, no none= 0	2	2	3
Staff: Social Benefit to the Community	Does the business owner give to community organizations (1 pt)? Do their employees volunteer to support community (1 pt)? Do they provide an essential product of service (1 pt)? Did they pivot the business to meet a community need during COVID-19 crisis? (1 pt) Please assign 1 point per social benefit. Max 4.	2	2	2
Staff: COVID-19 Impact	Has the business been negatively impacted by COVID-19? Open and operational with full staff= 1, Open with limited operations and limited staff= 2, Open with owner(s) as only staff.= 3, Closed with all staff furloughed=4 .	2	4	4
Staff: Business Re-Opening Plan	Business has a plan to re-open that includes: safety measures (1 pt), creative space configuration (1 pt), diverse finances (1 pt), timeline/date within 3 months (1 pt). Max 4.	1	3	4
Staff: Number of FTE jobs to be rehired	Unknown/ 0= 0, 25% = 1, 50% = 2, 75%= 3, 100%= 4.	2	4	1
Rehiring Timeline	1 month = 4 pts, 2 months = 3 pts, 3 months= 2 pts, 4 months= 1 pts, unknown = 0 pts.	2	4	4
Staff: Average Hourly Wage for jobs (payroll or re-hire estimate)	What are the average hourly wages for jobs? Please assign score 1= $12, 2= $12.01-$15.99, 3= $16-$19.99, 4= $20+ per hour or more jobs.	2	4	4
Staff: Completeness of Application	4= application responses were detailed and accurate 3= business was responsive to ensure accuracy, 2= mostly complete/accurate, 1= not complete/accurate	*2*	*4*	*4*
	Staff Sub-total	*15*	*19*	*20*
Underwriter: General Health of Business Prior to COVID-19 Crisis.	0= none, 1= poor, 2= fair, 3= good, 4= excellent	4	4	3
Underwriter: Historical trend	0= none, 1= poor, 2= fair, 3= good, 4= excellent	4	4	3
Underwriter: Sufficiency of Working Capital (Liquidity)	0= none, 1= poor (<1.0), 2= fair (1.0), 3= good (1.25), 4= excellent (>1.25)	3	4	4
Underwriter: Leverage (debt to equity) *industry specific*	0= none, 1= poor, 2= fair, 3= good, 4= excellent	3	4	3
Underwriter: Debt service coverage	0= none, 1= poor (<1.0), 2= fair (1.0), 3= good (1.25), 4= excellent (>1.25)	3	4	4
Underwriter: Personal credit worthiness (Consideration for medical bills and student debt)	If under 600 = 1, if 601-650 = 2, 651-700= 3, above 700= 4	3	2	3
Underwriter: Evaluation of personal financial statement.	0= none, 1= poor, 2= fair, 3= good, 4= excellent	3	3	4
Underwriter: Recommendation for Funding	0= none, 1= poor, 2= fair, 3= good, 4= excellent	1	4	2
	Underwriter Sub-total	*24*	*29*	*26*
TOTAL (Staff + Underwriter)		**39**	**48**	**46**
PDC Selection	Overall assessment (yes or no)			
	If yes, approval amount.			