

ATLANTIC COUNTY CARES ACT FUNDING

Through funds provided to Atlantic County through CARES act Community Development Block Grant (CDBG-CV) awards the Atlantic County Improvement Authority will be administering approximately \$6 million of Community Development Block Grant Funds allocated to prepare, prevent and respond to the corona virus pandemic.

There are five different tranches of funding, two of them come directly from the US Department of Housing and Urban Development and three from NJ Department of Community Affairs.

Eligible activities must not only meet the objectives of preparing, preventing and responding to COVID 19 the must also be eligible under the standard Community Development Block Grant guidelines and meet a CDBG National Objective.

The Improvement Authority's plan for allocating the funds is as follows:

County Wide Forgivable Business Loan Program \$1,000,000

Rental Mortgage Assistance Program \$1,000,000

Competitive Applications \$3,500,000

The balance of the funds are reserved for administrative costs and to reallocate to the above activities as needed.

The Improvement Authority anticipates that we will begin taking individual applications for the County Wide Forgivable Business Loan Program and County Wide Rental/Mortgage Assistance Program within the next two weeks. We have the necessary approvals in place to begin to draw the first round of funds that will provide enough to get started.

For the Competitive Application Phase we anticipate hosting virtual meetings with the County and Municipalities to discuss Eligible Activities and invite applications.

These meetings and application submissions will occur simultaneously with the process we are undertaking to secure grant agreements and complete other program requirements to access the funds.

Activity Descriptions follow on the next pages.

ATLANTIC COUNTY CARES ACT FUNDING

ACTIVITY DESCRIPTIONS

1) FORGIVABLE BUSINESS LOAN PROGRAM - \$1,000,000 – COUNTY WIDE

CDBG-CV COVID -19 Business Assistance Deferred, Forgivable Loan Program

The purpose of this program is to provide short-term, forgivable working capital loans intended to assist business in recovering from revenue losses and increased expenses resulting from Social Distancing requirements and mandated restrictions and limitations to normal operating procedures imposed in response to the Corona Virus.

Program Description

Loans will be made up to \$25,000 at 3% interest and require personal guarantees by all owners with a 20% or greater share of the business. Principal and Interest will be deferred for a period of two years at which time the loan will be forgiven provided the company remains in business.

Should the company cease operations at any time prior to two years of the original disbursement of funds the loan will enter immediate repayment status. Accumulated interest will be added to the principal amount borrowed, and the principal plus accumulated interest will be amortized with monthly payments due over a five-year period at 2½%.

The Coronavirus crisis and the disruption of business revenues and potential of job loss serves as the purpose of this grant program. The business must submit a statement of Coronavirus business disruption and/or revenue loss and explain how the CDBG assistance will be used to maintain the employment of existing employees.

Part One: Working Capital for Payroll, Rent and Overhead

Program Objective: Avoid job loss due to business closures related to social distancing requirements by providing short term working capital assistance to enable the retention and/or creation of jobs held by or made available to low- and moderate-income persons. For example, mandated restrictions on pre-pandemic levels of operations such as

- 1) Closures or reductions in business hours of operation,
- 2) Capacity limits on the number of patrons inside the place of business at any particular time (i.e. restaurants at 25% of capacity), and
- 3) Reductions in levels of service

Reimbursement and advances are based on payroll records, rent and overhead expenses. The amount is determined based on working capital required to keep current staff employed or reemploy employees laid off as a result of the crisis.

Part Two: Cost Reimbursement for Equipment, Materials and Supplies

Objective: Assist in the retention and/or creation of jobs held by or made available to low and moderate income persons by providing reimbursement for costs incurred in the purchase and

ATLANTIC COUNTY CARES ACT FUNDING

installation of equipment, materials and supplies, and/or the reconfiguring of work spaces to prevent the spread of infectious disease by establishing protocols for safe business operations.

For example

- 1) Restaurants purchase of tents, tables, and safety barriers to accommodate outdoor dining,
- 2) Costs incurred to reconfigure worksites to accommodate social distancing,
- 2) Personal protective equipment (PPE) purchases for employee and customer safety.

2. Rental/Mortgage Assistance - \$1,000,000 COUNTY WIDE

Purpose

The CDBG-CV Short Term Emergency Rental and Mortgage Assistance Grant Program will provide temporary rental and mortgage assistance, for up to six months, to low- and moderate-income households that have had a substantial reduction in income or became unemployed due the COVID-19 pandemic. Applicants may be eligible for a grant for a maximum of up to six months of emergency rental or mortgage assistance. The assistance, per month for rental assistance and mortgage assistance, will be capped at DCA's fair market rent standard or the total of the rent or mortgage payment, whichever is lesser. The maximum amount of assistance available per rental household is \$10,000 throughout a period of six months. All participants will be reviewed at the three-month interval to see if they are still in need of assistance. Persons applying must meet all applicable program income and eligibility requirements.

The program will be administered by the Atlantic County Improvement Authority under the direction of the Executive Director, John Lamey.

Eligibility

Current annualized household income must be at or below 80% of the Area Median Income (AMI) for Atlantic County for the size of the applicant household.

Prohibition on Duplication of Benefits

Applicants must disclose other local, state and federal rental/mortgage assistance received. These benefits will be taken into consideration when determining the amount that will be provided to the applicant for rental or mortgage assistance.

Evidence of Financial Hardship Due to COVID

Applicants will be required to document financial hardship due to COVID-19.

Rental or Mortgage Assistance Available

These funds are intended to be emergency assistance.

- Applicants without housing costs in arrears can apply for the cost of one month of housing only, starting with current month's housing costs.

ATLANTIC COUNTY CARES ACT FUNDING

- Applicants with housing costs in arrears may apply (in one application) for assistance for multiple past months beginning March 1, 2020, as well as for the current month's housing cost.
- If funds are available, applicants can submit a re-application for assistance in subsequent months for up to six months.

3. Competitive Applications - approximately \$3,500,000

Purpose

To provide Atlantic County Municipalities and the County the opportunity to fund eligible activities within their communities that meet the criteria of the funding. Eligible activities will be ranked according to the projected impact that the activity has in addressing the objectives to prepare, prevent and respond to the corona virus pandemic.

Eligible Activities (for CDBG-CV1 and CV2 Funding)

I. Buildings and Improvements, Including Public Facilities

Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvement -

1. Construct a facility for testing, diagnosis, or treatment.
2. Rehabilitate a community facility to establish an infectious disease treatment clinic.
3. Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.

Rehabilitation of buildings and improvements (including interim assistance) -

1. Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system
2. Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
3. Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.

II. Assistance to Businesses, Including Special Economic Development Assistance

Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project -

1. Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
2. Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons. Small business loans for rent

ATLANTIC COUNTY CARES ACT FUNDING

- a. Small business loans for rent, utilities and other business-related costs to retain employees, up to \$10,000, term 3 years, portion forgivable if business continues after term.

Provision of assistance to microenterprises -

3. Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

III. Public Services (new or quantifiable increase, no cap of 15%)

Provision of new or quantifiably increased public services –

1. Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
2. Provide testing, diagnosis or other services at a fixed or mobile location.
3. Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
4. Provide equipment, supplies, and materials necessary to carry-out a public service.
5. Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
6. Rental assistance of up to 12 months to individuals and families with incomes up to 120% of the area AMI. This activity may be permitted only if a waiver or approval is granted by the Assistant Secretary for Community Planning and Development, USHUD.

iv. Other COVID-19 Response Activities

Applicants may develop a unique activity category if the activity is eligible and meets one of the CDBG Program’s national objectives – benefits people of low and moderate-income, responds to an urgent need and eliminates slums and blight.

4. IMPLEMENTATION

The Improvement Authority anticipates that we will begin taking individual applications for the County Wide Forgivable Business Loan Program and County Wide Rental/Mortgage Assistance Program within the next two weeks. We have the necessary approvals in place to begin to draw the first round of funds that will provide enough to get started.

For the Competitive Application Phase we anticipate hosting virtual meetings with the County and Municipalities to discuss Eligible Activities and invite applications.

These meetings and application submissions will occur simultaneously with the process we are undertaking to secure grant agreements and complete other program requirements to access the funds.