

COVID-19 FUNDERS BRIEFING
SERIES:

KEEPING UP WITH THE LATEST NJ RESPONSE FUNDS

April 27, 2020

4:10 pm – 5:10 pm



CNJG

COUNCIL OF NEW JERSEY GRANTMAKERS
Harnessing Philanthropy's Potential

Agenda

I. Introduction, Welcome and Updates

II. PHL COVID-19 Fund

Kate Houstoun, Managing Director for Capacity Building, United Way of Greater Philadelphia and Southern New Jersey

III. Alice Recovery Fund

Kiran Gaudio, CEO, United Way of Northern New Jersey

Theresa Leamy, Senior Vice President, United Way of Northern New Jersey

IV. Q & A

V. New Jersey Economic Development Authority

Elizabeth Limbrick, Senior Advisor, NJEDA

VI. Garden State Relief Fund

Wayne Meyer, President, New Jersey Community Capital

VII. Q & A

VIII. Wrap –Up

PHL COVID-19 Fund

Kate Houstoun

*Managing Director for Capacity Building,
United Way of Greater Philadelphia and Southern New Jersey*



United Way
of Greater Philadelphia
and Southern New Jersey





Council of New Jersey Grantmakers

April 27, 2020



Kiran Gaudioso, Chief Executive Officer
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Theresa Leamy, SVP Resource Development
Theresa.leafy@unitedwaynnj.org

United for ALICE

What we do:

- Driver of innovation for ALICE households since 2007
- Research team developed and updates a set of comprehensive measures of financial hardship
- Data for all 3,000+ counties in U.S.
- ALICE partners convene, advocate, and innovate in their local communities to highlight the issues faced by ALICE households and to generate solutions that promote financial stability
- ALICE Recovery Fund



UnitedForALICE.org

Who is ALICE?

- **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed
- Above FPL, below Household Survival Budget
- Low-wage jobs – cashiers, health care workers, security guards, laborers, office administration
- No savings...
 - For emergencies
 - For investing in the future – education, homeownership, retirement

Key Terms

Household Survival Budget: The bare-minimum costs of basic necessities (housing, child care, food, transportation, health care, and a smartphone plan).

ALICE Threshold: The average income needed to afford the Household Survival Budget. Households below the ALICE Threshold include both ALICE and poverty-level households.

ALICE: Households with income above the Federal Poverty Level but below the basic cost of living.

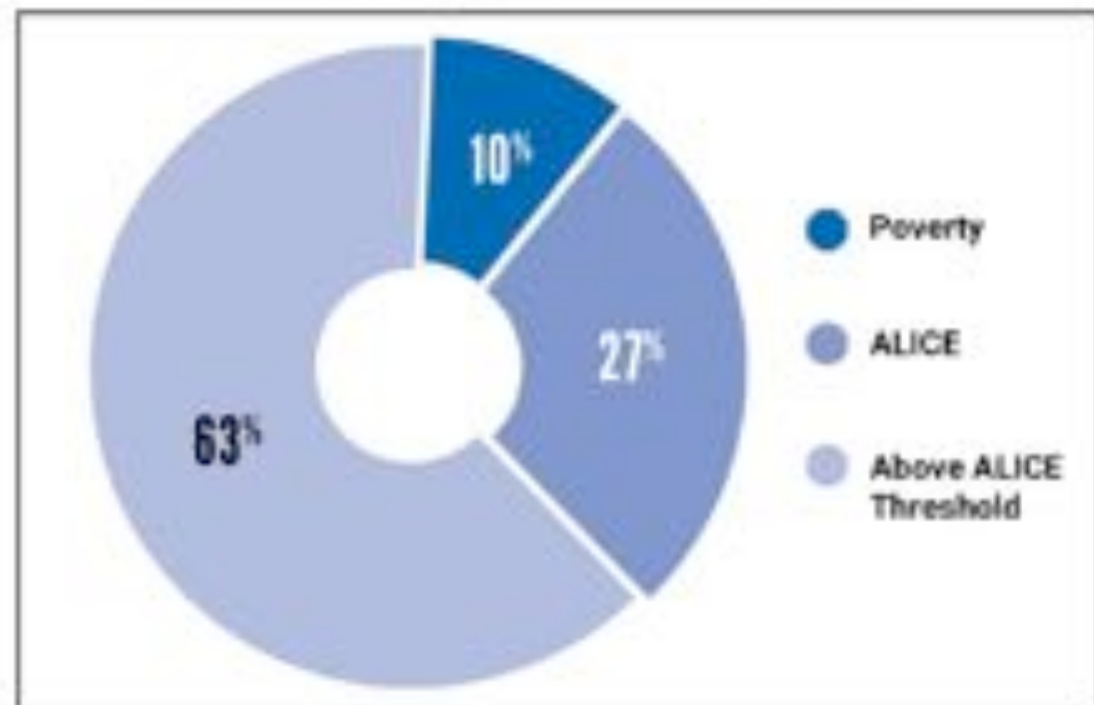
Poverty: Households earning below the Federal Poverty Level

Total Households: The number of households as reported by the American Community Survey.

COVID-19 Crisis is Unprecedented

- **37% of households in STATE were already vulnerable**
 - 10% of households are in poverty
 - 27% of households are ALICE
- The number of ALICE households will increase
 - Rising unemployment
 - Closed businesses
 - Halted production of goods/services
- Inequalities are exacerbated by the pandemic

Households by Income, New Jersey, 2018



Sources: ALICE Threshold, 2018; American Community Survey, 2018



ALICE Recovery Fund –Partnership With United Way of Hunterdon County

<http://www.UnitedWayNNJ.org/ALICErecovery>

- Short term –ALICE Emergency Assistance Application
- Mid-term-supporting ALICE in the post COVID-19 economy
- Long term—Public policy for systemic change

Next steps

- Opportunities to partner
- ALICE COVID-19 data
- ALICE emergency assistance application

COVID-19

Economic Relief Package

NJEDA initiatives aimed at stabilizing and revitalizing local small and mid-size businesses, nonprofits, and startups or other early-stage companies

April 27, 2020



We have developed our economic stability approach around three core principles

1. Get funding into the market as soon as possible

- ▶ Where possible, adjust existing NJEDA programs to address crisis needs
 - ▶ Utilize multiple channels / partners to maximize marketing of programs and minimize processing capacity constraints
-

2. Leverage private, federal, and philanthropic capital where possible to scale impact

3. Provide a suite of compatible offerings to help address varied marketplace needs (e.g., grants, no-cost loans, low-cost loans, loans through intermediaries, technical assistance)

COVID-19 Economic Relief Package



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM



SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM



PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

CDFI First Loss Reserve Fund

Emergency Assistance Guarantee

Entrepreneur Support Program



NJ TECHNICAL ASSISTANCE SUPPORT



CREDIT FLEXIBILITY TO SUPPORT BUSINESSES



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM

Operating expense grants of up to \$5K to small businesses and nonprofits with 1-10 FTE in highly impacted industries

NJEDA Program Size

\$5M

*Initial Funds Exhausted;
Seeking Additional Funding
to Expand*

Eligibility

- Industries, as determined by NAICS code:
 - Retail
 - Accommodation & Food Service
 - Arts, Entertainment, & Recreation, Repair & Maintenance; Personal & Laundry Services
 - (Eligible NAICS codes that start with 44, 45, 71, 72, 811, 812)
- ***Non-profit entities in the above industries are permitted to receive grant funding if they also have the following designations: 501(c)(3), 501(c)(4), and 501(c)(7)***
- Must certify to negative impact of emergency
- Physical commercial location in NJ
- Must be registered to do business in New Jersey
- Department of Labor good standing
- 1-10 FTE per Company's 2019 4th Quarter NJ-WR30 filing with the Department of Labor; visit our grant award estimator to help determine your FTE: <https://cv.business.nj.gov>
- Must fill out and certify simplified debarment legal questionnaire



NJEDA-SUPPORTED NONPROFIT ORGANIZATIONS

Nonprofits Approved for Small Business Emergency Assistance Grants





SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM

Up to \$100K working capital loans for businesses and nonprofits with \$5 million or less in revenue; 0% for years 1-5; 1-3% for years 6-10.

NJEDA Program Size

\$10M

Funds Exhausted

Eligibility

- ***For profit businesses and nonprofits are eligible***
- \$5M or less annual revenue
- Physical commercial location in New Jersey
- At least 1 year in existence
- Must be registered to do business in New Jersey
- Minimum Global Debt service ratio of 1.0 based on the year prior to the declaration of emergency
- Tax Clearance; Department of Labor good standing
- Minimum Credit Score of 600 for at least one guarantor
- Must show negative impact of emergency (e.g., closure, reduced hours, 20% revenue drop, 20%, etc.)
- Additional conditions may apply
- Must fill out and certify simplified debarment legal questionnaire



PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

CDFI First Loss Reserve Fund

\$10M capital reserve fund for first-loss position, up to 50%, on CDFI loans that provide low/no-interest loans to micro and small businesses

NJEDA Program Size

\$10M
(initial wave)

Eligibility

- Federally-certified, NJ-based CDFI
 - Have the operational and financial capacity to use the guarantee effectively
 - Have significant experience working with underserved business segments and in communities underserved by other banks
 - Must fill out and certify simplified debarment legal questionnaire
- CDFI Loans that are guaranteed must:
 - Be to an impacted business
 - Be focused on working capital
 - Not exceed \$75,000
 - Have an interest rate of 3.75% or less
 - Not exceed a term of five years
 - Provide flexible loan structures



PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

NJEDA-Approved COVID-19 CDFI Partners:





CREDIT FLEXIBILITY TO SUPPORT BUSINESSES

Ability to provide flexible terms to portfolio customers impacted by COVID 19

Expanded delegations to provide quick cash flow relief and to facilitate business access to funding for working capital to continue operations and employment in New Jersey through:

- Payment Moratoria
- Loan Maturity Extensions
- Subordinations
- Fee Waivers



Loans to Support Small NJ Businesses

Micro Business Loan

- ▶ Up to \$50,000 for working capital or equipment
- ▶ Low interest/flexible terms

ELIGIBILITY

- ▶ For-profit registered New Jersey business
- ▶ Annual revenue less than \$1.5 million
- ▶ 10 or less full-time employees
- ▶ Start-Ups eligible (see application for details)

Please visit [NJEDA.COM/MICROBUSINESSLOAN](https://www.njeda.com/microbusinessloan) for more information.

Small Business Fund

- ▶ Small businesses: Up to \$500,000
- ▶ Not-for-profits: Up to \$500,000 with 1.0X historical debt service coverage

ELIGIBILITY

- ▶ Must be in operation for at least one full year
- ▶ Not-for-profits for at least three full years
- ▶ Annual revenue less than \$3 million

Please visit [NJEDA.COM/SMALLBUSINESSFUND](https://www.njeda.com/smallbusinessfund) for more information.

Direct Loan

- ▶ Up to \$2 million for fixed assets
- ▶ Up to \$750,000 for working capital

ELIGIBILITY

- ▶ Create/Retain one full-time job for every \$65,000 within two years

Please visit [WWW.NJEDA.COM/DIRECTLOANS](https://www.njeda.com/directloans) for more information.



NJEDA-SUPPORTED NONPROFIT ORGANIZATIONS

Bond and Loan Financing Customers



HUDSON COMMUNITY
ENTERPRISES





NJ TECHNICAL ASSISTANCE SUPPORT

Support for organizations providing technical assistance to COVID-19 Impacted Small Businesses Applying for SBA Funding Programs

NJEDA Program Size

\$150K
(initial wave)

This assistance includes, but is not limited to, preparing financial information, packaging application documentation, and completing and submitting the on-line or paper-based application.

- [African American Chamber of Commerce of New Jersey \(AACCNJ\)](#)
- [New Jersey State Veterans Chamber of Commerce](#)
- [Rising Tide Capital](#)
- [Statewide Hispanic Chamber of Commerce of New Jersey \(SHCCNJ\)](#)

NEW JERSEY COVID-19 BUSINESS INFORMATION HUB

Search for information on COVID-19 and its impact on businesses.

EMERGENCY ASSISTANCE ELIGIBILITY WIZARD

See what support programs are available to you to help stabilize your operations and get back on a pathway to growth.

GRANT AWARD SIZE ESTIMATE CALCULATOR

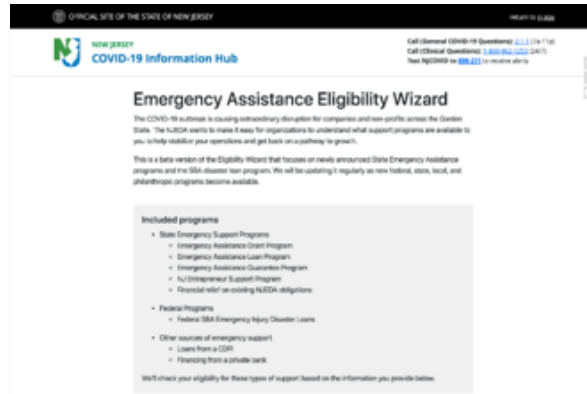
Get an early estimate of your potential grant award size based on information you submitted on your Q4 2019 NJ WR-30

NEW JERSEY COVID-19 JOBS AND HIRING PORTAL

Businesses across New Jersey need thousands of workers for immediate hire. Learn more about who is hiring in your community.



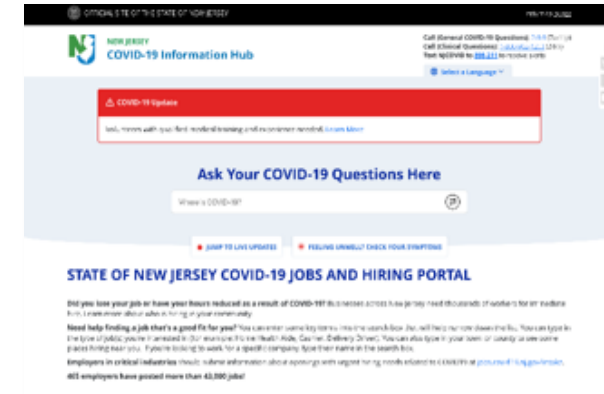
[CV.BUSINESS.NJ.GOV](https://cv.business.nj.gov)



[CV.BUSINESS.NJ.GOV](https://cv.business.nj.gov)



[CV.BUSINESS.NJ.GOV](https://cv.business.nj.gov)



[JOBS.COVID19.NJ.GOV](https://jobs.covid19.nj.gov)



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM – ATLANTIC COUNTY

Operating expense grants of up to \$5K to small businesses and nonprofits with 1-10 FTE in highly impacted industries

***CRDA Provided
\$2M
For Atlantic County
Businesses/Nonprofits
Administered By NJEDA***

Eligibility

- *Specific to Atlantic County businesses/nonprofits*
- Industries, as determined by NAICS code:
 - Retail, Accommodation & Food Service
 - Arts, Entertainment, & Recreation, Repair & Maintenance; Personal & Laundry Services
 - (Eligible NAICS codes that start with 44, 45, 71, 72, 811, 812)
- ***Non-profit entities in the above industries are eligible if they also have the following designations: 501(c)(3), 501(c)(4), and 501(c)(7)***

Expanded Capacity

- Pool of funding allocated specifically for Atlantic County
- Enables NJEDA to support more businesses outside of Atlantic County
- Leverages NJEDA resources to provide grant review and approval process and expertise CRDA may not have available



NEW JERSEY **COMMUNITY** CAPITAL

Council of New Jersey Grantmakers
COVID-19 Funders Briefing Webinar Series
April 27, 2020

Wayne T. Meyer
President

Who We Are

As a CDFI founded in 1987, New Jersey Community Capital has a toolkit of services and products to support neighborhood revitalization and economic development and advance equity and opportunity in communities of need, including:

- Revolving loan funds and related investment products
- Real estate development/foreclosure mitigation
- Homeownership counseling and mortgage products
- Capacity building and technical assistance

NJCC is the largest community development financial institution (CDFI) certified by the U.S. Department of Treasury serving the entire State of New Jersey.



Our Mission

To **create thriving** communities through
strategic investments and **knowledge**.

OUR IMPACT

SINCE INCEPTION*



600 MILLION
INVESTED IN NJ
COMMUNITIES



10,550+
HOUSING UNITS
DEVELOPED



12,390+
JOBS CREATED,
PRESERVED



19,760+
EDUCATION
SEATS



6,340+
EARLY CARE
SLOTS



5.7 MILLION
S.F. REAL ESTATE
DEVELOPED

Garden State Relief Fund

Purpose

- To provide flexible and quick access to low interest capital to small businesses and nonprofits negatively impacted by the COVID-19 pandemic

Eligibility

- Eligible for businesses and nonprofits with 3 to 50 employees located in New Jersey
- Minimum DSCR: 1.00x
- Minimum Credit Score: 625
- Guaranties: Required for Owners with Greater than 20% Ownership

Loan Amount

- \$10,000 - \$75,000

Loan Terms

- Up to 36 months; No Fees

Repayment

- Advances will be made no more than once/month, during the first 6 months
- Monthly payments of principal and/or interest to amortize loan during the remaining term

Interest Rate

- 3%, fixed
- 0% for small businesses located in THRIVE South Jersey footprint (Gloucester, Cumberland, Salem, and Western Atlantic Counties)

How to Apply

- Complete application form on website and return via email to relief@njclf.com



For More Information

<https://www.newjerseycommunitycapital.org/initiatives/garden-state-relief-fund>



www.newjerseycommunitycapital.org



@NJCLF



/newjerseycommunitycapital



Contact

Leah Apgar
Managing Director, Lending
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732.640.2061

Thank You!

For a comprehensive list of NJ response funds, visit:

<https://www.cnjg.org/nj-focused-response-funds>

For more COVID-19 information about upcoming programs, CNJG Members Actions, and Resources, visit:

<https://www.cnjg.org/coronavirus-response>



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