

## ARPA Small Business Lending Programs | Information + Frequently Asked Questions (FAQs)

Following an allocation from the City of Syracuse with funding from the American Rescue Plan Act (ARPA), the Syracuse Economic Development Corporation (SEDCO) has created lending programs designed to support small business development, assist in the ongoing recovery from the Covid-19 pandemic, and foster new growth. Please see information and instructions on how to apply below.

### GENERAL INFORMATION:

#### 1. What are the SEDCO ARPA Small Business Lending Programs?

In order to help address the economic challenges and hardship experienced by the small business community in Syracuse since the beginning of the Covid-19 pandemic, SEDCO is establishing new funding programs to provide financial support to small businesses: Micro-enterprise assistance, Small Business Assistance, and the Community Impact Fund. The table below provides a synopsis on the different funds including loan size, rate, and who is eligible. The programs will provide lending capital that will be borrowed, with a forgivable loan option for micro-enterprises (defined as businesses with 10 or less employees). The goal of these programs is to enable Syracuse businesses to continue to operate and assist with pursuing new investment opportunities to adapt to the changing economic landscape. The programs are designed to promote local economic recovery, and to encourage consumer confidence and access to local products and services provided by City businesses.

	<i>Micro-Enterprise Fund</i>	<i>Small Business Assistance Fund</i>	<i>Community Impact Fund</i>
<b>Applicant Criteria</b>	Business with 10 or fewer employees in an industry or location that has experienced economic hardship	Businesses with 50 or less employees, and experienced a decline in sales and/or located in a ARPA eligible census tract	Business or development entity making capital investment resulting in renovation or other physical real estate improvements
<b>Maximum Loan Size</b>	\$ 5,000.00	\$ 25,000.00	\$ 200,000.00
<b>Interest Rate</b>	1.0%	1.5%	2.0%
<b>Term</b>	2 Years	5 Years	Up to 15 Years
<b>Forgivable?</b>	Yes	No*	No

\*Qualified micro-enterprises seeking loan financing through the Small Business Assistance Fund may request forgiveness of up to \$5,000 of eligible expenses if they meet the criteria included in Question #6.

#### 2. Who is eligible?

Small businesses are eligible if they are physically located in the City of Syracuse and do not have more than 50 employees; and have been negatively affected by the Covid-19 pandemic and have experienced a decrease in revenue/sales in either 2020 or 2021. Real estate development entities will also be considered eligible through the Community Impact Fund. Under limited circumstances, 501c3 organizations may be considered eligible for capital investments through the Community Impact Fund if this is related to an economic development activity (e.g. job creation, improving commercial/storefront space, workforce training). Please note all real estate and capital upgrades may only include properties located within a qualified ARPA census tract ([see map here](#)).



### 3. Are businesses outside of the City of Syracuse eligible?

No. SEDCO can only lend to organizations located within the City of Syracuse boundary.

### 4. Can new businesses that were established after the start of the Covid-19 pandemic apply?

Yes. Businesses that were established after March 2020 will be considered eligible to apply if they have been in operation for a minimum of 6 months and can provide interim financials showing sales revenue and expenses for a 180-day period. New businesses must also be located in a qualified ARPA census tract ([see map here](#)) in order to be considered eligible. Please note amount of SEDCO funds requested cannot exceed the amount of sales generated by the applicant during the past calendar year.

### 5. What uses qualify to receive SEDCO ARPA loan funds?

Qualifying expenses and purchases may include but are not limited to:

- Capital upgrades including structural improvements, interior and exterior renovations, HVAC upgrades, etc.;
- Equipment, materials, or supplies necessary to ensure safety for customers and employees, including sanitizing supplies, equipment, systems (including UV light systems), or services to sanitize indoor/outdoor spaces; or installation services for such equipment, such as tents, awnings, vestibule or patio enclosures;
- Technology systems, applications or vendor support services to establish or upgrade e-commerce or online ordering capabilities, including but not limited to websites and/or mobile applications for customers to order merchandise or food, online reservation management, marketing and promotions, electronic customer loyalty programs, subscriptions for 3rd party e-commerce services, etc.
- Supplies and inventory necessary to continue business operations;
- Operating expenses including facility rent and software subscriptions necessary for business operations (please note that rental expenses cannot exceed 20% of the total amount requested from SEDCO, and cannot cover payments dating back before January 1, 2021);
- Pre-development expenses (including but not limited to architectural plans, engineering reports, environmental assessments. Please note pre-development expenses cannot exceed more than 20% of the total funding request to SEDCO.\*
- Under circumstances where the applicant is purchasing property from the Greater Syracuse Land Bank, up to 80% of pre-development expenses may be requested for assistance from SEDCO. The borrower must have the remaining 20% secured from another funding source (e.g. investor, personal equity, grant).\*

*\*Please note: pre-development expenses may only be funded through the Community Impact Fund*

### 6. Are the loans provided by SEDCO forgivable?

The Micro-enterprise Assistance Fund includes eligibility for loans to be forgiven if the following criteria are met by the borrower. Additionally, if an applicant is applying through the Small Business Assistance Fund and also falls under the category of a micro-enterprise, they may be eligible for up to the first \$5,000 in loan financing to be forgiven. Under all circumstances related to forgiveness, the following criteria must be met:

- All purchases and investments using SEDCO funds must be verified as eligible expenses such as receipts, vendor invoices, and/or copies of payments made by the borrower
- The business must remain in operation during the term of the agreement
- For borrowers that own property within the City of Syracuse, all taxes owed to the City must be current and no outstanding code violations must exist
- The borrower will retain the number of employees at the time of application or add employees during the term of the agreement
- Any borrower that was established after March 1, 2020 must receive technical assistance from a small business advising organization (e.g. SCORE, Onondaga SBDC, UpStart, and/or the Financial Empowerment Center)
- Borrower must retain ownership of the entity and/or any affiliated property for the term of the agreement

## 7. How will the loan funds be disbursed if my business/organization is awarded?

Loan proceeds will be disbursed following approval from the SEDCO Board of Directors, and execution of the necessary closing documents. The expectation is that businesses or organizations will itemize expense(s) that SEDCO funds will be used for as a part of the loan application. The Corporation may approve some requested expenses and disapprove others based on the aforementioned eligible use of funds, and provide a smaller loan amount than originally requested.

## 8. How can eligible businesses and organizations apply?

Funds are limited. In order to seek funding through SEDCO, applicants must complete a two-step process. **STEP 1:** All interested applicants will be required to fill out an initial questionnaire that is available online at the SEDCO Website: [www.syr.gov.net/SEDCO/HOME.aspx](http://www.syr.gov.net/SEDCO/HOME.aspx). **STEP 2:** Once the initial applicant information is completed, a City of Syracuse staff member will follow up in short order to speak with the applicant and assist with identifying which fund and corresponding application is best suited for their financial needs. The corresponding application template will then be shared and must be filled out and submitted with the supporting documents by the applicant. Please see the "Application Instructions" on Page 4 of this FAQ document for more information.

Fully completed applications and required supporting documentation can be submitted starting on **Friday, December 3, 2021**. Applications will be accepted through **Friday, December 31, 2021 at 12:00 PM**. Future funding rounds to accept new applications may be announced as long as funding remains available. Only fully completed applications with all supporting documentation will be considered.

## 9. Can an organization apply for multiple loans from the separate funds?

All applicants are encouraged to identify the fund that will best suit their financial needs. City of Syracuse staff are available to assist applicants with the fund that best aligns with their request. For any applicant that falls under the micro-enterprise category, SEDCO may consider the ability to forgive the first \$5,000 in loan funding committed to any borrower as part of a request to the Small Business Assistance Fund. Separate entities that have the same owner may also be eligible, as well as multiple businesses that are separate but located within the same property address. In these unique circumstances, requests will be reviewed and considered on a case by case basis.

## 10. Where do I submit the application and supporting documentation?

Once an applicant has completed the ARPA Program Questionnaire online on the SEDCO website, have spoken with a staff person and filled out and completed the application with all supporting documentation included, the information can be submitted for review.

Applications and supporting materials can be submitted one of the following ways:

- A) Email electronically to [business@syr.gov.net](mailto:business@syr.gov.net)
- B) Applications can be dropped off physically or mailed to the following address: Syracuse Economic Development Corporation 201 East Washington Street, Suite 612, Syracuse, NY 13202

## 11. How will loan financing requests be reviewed?

Funding requests will be considered by a review committee, comprised of the SEDCO Board of Directors. The SEDCO Board will oversee the decision making process of all completed applications received by the Corporation. The review committee will make recommendations to the full board for final determinations on all applications. The Corporation anticipates that funding decisions will be made in January 2022, and thereafter on a rolling basis depending on the availability of funds. A contract agreement must be executed with approved applicants prior to disbursement of any loan funds can occur.

## 12. What is the cost of applying for the program?

There is no cost to apply.

## APPLICATION INSTRUCTIONS:

1. Complete the SEDCO ARPA Applicant Questionnaire (available electronically at: [www.syrgov.net/SEDCO.Home.aspx](http://www.syrgov.net/SEDCO.Home.aspx))
2. Work with a City of Syracuse staff member to determine the loan fund that is most appropriate based on your financial needs.
3. Once the specific fund preference has been determined, fill out and complete the corresponding SEDCO ARPA Fund Application. The application will be provided by the City of Syracuse staff member.
4. In addition to the completed application, the organization must provide the required supporting documentation items included in the application form (the item list varies depending on applicant and project type).

Aside from the foregoing items, the Corporation reserves the right to request additional financial or other corporate governance or other materials or information it deems necessary to adequately review and assess the application.

4. Submit the completed application and supporting materials by email (preferred method) or by mail as noted above no later than **12:00 PM on Friday, December 31, 2021**. Questions regarding this program should be directed to the SEDCO at [business@syrgov.net](mailto:business@syrgov.net).
5. Applicants shall cooperate with the Corporation to satisfy any State or Federal mandated reporting requirements.
6. SEDCO shall have the right to request and consider additional information and factors.