

## AGENDA

### ITHACA URBAN RENEWAL AGENCY (IURA) ECONOMIC DEVELOPMENT COMMITTEE (EDC)

3:30 P.M., Tuesday, April 14, 2020

 VIRTUAL MEETING

**Join Zoom Meeting:** <https://zoom.us/j/98833425846?pwd=MmtNOG9MQld0SDRlY3bCtYRUhLUT09>  
**Meeting ID:** 988-3342-5846  
**Password:** 8x1XGA  
**One-Tap Mobile:** +16465588656,,98833425846#,,#400979# US (New York)  
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- I. **Call to Order**
- II. **Additions to/or Deletions from Agenda**
- III. **Review of any Public Comments Received**
- IV. **Meeting Minutes: March 12, 2020**
- V. **2020 HUD Entitlement Grant Program**
  - A. Review of Neighborhood Investment Committee Recommendation
  - B. EDC Recommendation Regarding [Economic Development Applications](#)
    - ReUse Job Skills Training & Employment Connections
    - Work Preserve Job Training: Job Placements
    - Hospitality Employment Training Program
    - Family Child Care Microenterprise Business Development
    - ED Loan Fund
- VI. **Economic Development Revolving Loan Fund**
  - A. Amendments to COVID-19 Small Business Resiliency Program – Resolution
  - B. IURA Loan & Lease Payment Report: February 2020
  - C. Loan Pipeline Report
- VII. **CDBG-CV**
  - A. Staff Report On Special CDBG-Corona Virus Entitlement Award to City of Ithaca
  - B. Input on Recommended Use of CDBG-CV Funds
- VIII. **Adjournment**



*If you have a disability and require accommodation in order to fully participate, please contact the CITY OF ITHACA CLERK'S OFFICE at 274-6570 at least 72 business hours prior to the meeting.*



108 E. Green St.  
Ithaca, NY 14850  
(607) 274-6565

**DRAFT MEETING MINUTES**  
**ITHACA URBAN RENEWAL AGENCY**  
**Economic Development Committee (EDC)**  
**3:30 P.M., Thursday, March 12, 2020**  
**Common Council Chambers, City Hall, Ithaca, NY**

**Present:** Chris Proulx, Chair; Doug Dylla, Vice-Chair; Leslie Ackerman  
**Excused:** Charles Hamilton  
**Vacancies:** 2  
**Staff:** Nels Bohn; Charles Pyott  
**Guests:** None

**I. Call to Order**

Chair Proulx called the meeting to order at 3:31 P.M.

**II. Agenda Additions/Deletions**

None.

**III. Review of Meeting Minutes: February 11, 2020**

Ackerman moved, seconded by Dylla, to approve the minutes, with no modifications.

**Carried Unanimously: 3-0**

**IV. Public Comments (3-min. max. per person)**

DEIRDRE KURZWEIL, Sunny Days of Ithaca, spoke regarding the proposed development of the Eastern Section of the Green Street Garage site. She thanked the IURA for its role in trying to protect the three potentially displaced Rothschild Building businesses. The building's owner, Jeff Rimland, contacted her for the first time about the issue only last week and demanded she submit the initial relocation mitigation proposal. She then submitted a proposal, premised on the store's going out of business, since she does not believe it can realistically be relocated again so soon after its recent move. She told Rimland relocating the store is not an option and provided him with a loss-of-profit estimate. Rimland's only response was to insist the store would have to be relocated. When Kurzweil remarked to Rimland that there is no appropriate space available for the store to relocate to, Rimland's only suggestion was to move forward with construction, working around the store, or build a separate space for the store two doors down.

MEGAN VIDLER, Home Green Home, spoke regarding the proposed development of the Eastern Section of the Green Street Garage site, noting the proposed displacement of the three small businesses would likely have been catastrophic without the IURA's support. She only learned about the displacement from the Committee's meeting minutes, not Rimland himself. She thanked the IURA for its efforts to ensure there is a fair mitigation plan, as well as the Downtown Ithaca Alliance (DIA) for its letter of support and the Mayor for speaking with Rimland about the issue. She is hopeful the store will survive, although Rimland has been unhelpful. He threatened to raise the store's rent by more than 50% and generally appears unwilling to negotiate in good faith.

CALEB HARRINGTON, Nothing Nowhere café, spoke regarding the proposed development of the Eastern Section of the Green Street Garage site, noting he invested everything he had in the business, with Rimland's initial support. Ever since the new project has been in development, however, Rimland has not acknowledged Carrington, has made questionable promises, and even seems to have lied about his intentions. Carrington urged the Committee to continue supporting the three businesses.

Bohn reported that Rimland has kept him informed of his negotiations with businesses to be displaced. At this juncture, it is fair to say the parties remain far apart in terms of agreement on any relocation mitigation plan. Rimland has leases with Sunny Days, but is month-to-month with Home Green Home. Nothing Nowhere café subleases from Home Green Home. He noted that Federal law regarding relocation when federal funding is involved, does not distinguish whether a displaced business has a lease or not. Any legal business is required to be treated as a displaced business. Rimland intends to bring a mitigation proposal to the Committee at its April 14<sup>th</sup>, 2020 meeting (to be submitted to Bohn by April 8<sup>th</sup>). Bohn made it clear to Rimland that the three businesses should have the opportunity to review any mitigation proposal, first. The minimum amount of relocation assistance under federal law is moving costs and re-establishment costs, but Federal law does not take into account any lost business due to relocation, or other related costs, such as inventory purchases. The issue will ultimately be resolved through a discretionary decision of the IURA and Common Council, when the Disposition and Development Agreement (DDA) is considered for adoption. Bohn did share with Rimland the Federal regulations associated with business relocations, while clarifying that they would only serve as a starting point for conducting a comprehensive analysis of the impacts to the businesses. If the mitigation proposal is agreed to by all parties, the project could simply move forward. If no agreement can be reached, however, the Committee would need to formulate a recommendation to the IURA Board. There are a considerable number of issues to resolve. Bohn will communicate to Rimland that the Committee would look most favorably on a fair mitigation plan, which has been negotiated in good faith with all three businesses.

## **V. 2020 HUD Entitlement Grant Program**

### **A. Review of Available Funds & Schedule**

Bohn explained that available HUD Entitlement Program funds have been confirmed at \$682,732 for CDBG and \$335,173 for HOME. He strongly recommends \$120,000 be reserved for the Economic Development Loan Fund (EDLF), since its balance has declined considerably. This year, the IURA received a higher than usual number of Housing applications, including some large projects like Northside Apartments (Cayuga Housing Development Corporation/Ithaca Housing Authority). The IURA also received a higher number of

Public Facilities applications. Assuming the Committee agrees to allocate \$120,000 to EDLF, approximately \$400,000-\$500,000 would remain for *both* Economic Development *and* Public Facilities projects.

Bohn stressed that given the limited amount of available funding and large number of applications, the IURA will need to make some relatively difficult decisions about which activities to fund. He noted the IURA received three late applications, which will be noted for the IURA Board. Today, the Committee should plan on reviewing the Economic Development applications and identifying a set of priorities, areas of ambiguity, and/or questions to ask the applicants at the Public Hearing.

Proulx wondered if there are any ways the IURA could provide financial assistance to local businesses impacted by the COVID-19 outbreak. Bohn replied the IURA could certainly provide loan assistance. It could also reprogram funding for 2020 activities, if need be, since binding funding commitments are not made until late in the process (September). CDBG regulations also include an “Urgent Need” funding category for:

“[...] activities that alleviate emergency conditions of recent origin which pose a serious and immediate threat to the health or welfare of the community; eligible only if the grantee cannot finance the activity on its own and no other sources of funding are available.”

Bohn added, as it turns out, he recently received a phone call from a local hotel about deferring its IURA loan payments, due to the COVID-19 situation. Deputy Director for Economic Development Tom Knipe is also setting up meetings with the Tompkins County Chamber of Commerce and other organizations to identify collective resources that may be available to support the local economy and affected businesses.

## **B. Review of 2020 Economic Development Applications Received**

- 1. [ReUse Job Skills Training & Employment Connections](#) — Finger Lakes ReUse, Inc. (FLRU)**
- 2. [Work Preserve Job Training: Job Placements](#) — Historic Ithaca, Inc.**
- 3. [Hospitality Employment Training Program \(HETP\)](#) — Greater Ithaca Activities Center, Inc. (GIAC)**
- 4. [Family Child Care Microenterprise Business Development](#) — Child Development Council of Central NY, Inc.**
- 5. Economic Development Loan Fund — IURA**

### Family Child Care Microenterprise Business Development (\$68,650)

Bohn explained that the application proposes to establish group family daycare centers in people’s homes. CDBG Micro-Enterprise Assistance regulations require assisted micro-enterprises either be owned by an LMI person, or create LMI jobs. The application proposes to establish one daycare center in the City and two outside the City, which adds a complication to the project. Identifying properties that conform to applicable building/zoning codes may also be challenging. Since building an entirely new facility would be expensive and complex, the applicant believes its proposal would be an effective alternative to meet the local need for daycare. Bohn noted that CDBG projects normally need to be undertaken in the City and he cited the following regulation:

24 CFR §570.309 — Restriction on Location of Activities

CDBG funds may assist an activity outside the jurisdiction of the grantee only if the grantee determines that such an activity is necessary to further the purposes of the Act and the recipient’s community

development objectives, and that reasonable benefits from the activity will accrue to residents within the jurisdiction of the grantee. The grantee shall document the basis for such determination prior to providing CDBG funds for the activity.

Given the location restriction, the IURA would need to establish a clear rationale for why it is funding activities outside the City. The IURA did identify childcare as a Priority Need in its Consolidated Plan.

Dylla noted although there is an undeniable need for childcare in the community, the application contains a few flaws or ambiguous areas, like identifying the actual start-up costs or allocating funds for potentially required property renovations. Bohn replied the applicant does have a small fund for making modifications to properties. The IURA should explore with the applicant the issue of establishing a viable curriculum.

Ackerman observed that although the applicant is expert in childcare issues, it does not necessarily have expertise in the business-related aspects of the proposed project, which would be important to its success.

Dylla remarked the application budget has incorrect full-time equivalent (FTE) numbers for the CFO and CEO. Proulx added those FTE numbers also do not correspond with other sections of the application.

Proulx summarized there appear to be three major areas of concern with the application: ensuring at least 51% of beneficiaries are City residents; identifying accurate and reasonable start-up costs; and the business-development component of the project.

Dylla noted the plan for developing the micro-enterprises needs more elaboration. Ackerman agreed, noting the applicant also cannot absolutely commit to creating the businesses, so there is a reasonably high risk to the IURA in terms of the outcomes that could be expected.

ReUse Job Skills Training & Employment Connections — Finger Lakes ReUse, Inc. (FLRU) (\$96,447.76)

Work Preserve Job Training: Job Placements — Historic Ithaca, Inc. (\$67,500)

Hospitality Employment Training Program (HETP) — Greater Ithaca Activities Center, Inc. (GIAC) (\$120,000)

Proulx asked if there is anything substantively different in any of the three applications, compared to past years.

Bohn replied that since the Program Coordinator left HETP, that program's performance could conceivably suffer. HETP's curriculum also focuses more on 'soft skills' and is not as organized as the Work Preserve program; however, HETP has certainly been effective at preparing people for the job market and placing them in positions. Finger Lakes ReUse, Inc. (FLRU) is highly focused on improving its ReUse Job Skills Training program, although that application is complicated, since there are so many components to the program. FLRU does have a good history of job placements (some of whom are hired by FLRU itself). The program does spend many of its resources on its Apprenticeship program, which could possibly be scaled down.

Proulx noted FLRU's balance sheet does not appear to make sense. It lists negative accounts receivable. Bohn replied the IURA could certainly ask FLRU about that.

Proulx noted the IURA funded the largest amount ever in PY2018 (\$249,300) for the three programs, which is something to consider. He suggested reducing that amount, so it is nearer prior years' funding allocations.

Proulx asked what other funding sources would be available for the GIAC New Gym Renovation project. Bohn replied GIAC cannot wait another year to fund the project and needs to make a decision. He knows GIAC has been raising funds itself.

Proulx observed the IURA could virtually fully fund the three job-training/placement projects, if the New Gym Renovation project were not funded. Bohn added the IURA has already contributed \$175,000 for acquisition of the gym.

#### Economic Development Loan Fund (\$120,000)

Bohn remarked the IURA does currently have demand for loans (e.g., Urban Core, LLC; a Press Bay Alley micro-enterprise expansion), so he believes it will be important to dedicate funds to EDLF, especially if the IURA decides to provide financial assistance to local businesses impacted by the COVID-19 outbreak.

## **VI. Old/Other Business**

### **A. IURA Loan & Lease Payment Report: February 2020**

Bohn reported virtually all HUD Entitlement Program projects are progressing well.

Bohn reported all loan repayments are current, except Finger Lakes School of Massage. The IURA is pursuing one of the organization's two principals to collect on the debt.

Bohn reported all lease payments are current, as of today.

### **B. Loan Pipeline Report**

None.

### **C. Staff Report**

Bohn noted that he requested to both the developer and displaced businesses to base their proposed relocation assistance request based on reasonable and understandable financial documentation if the IURA is put in the position of determining a satisfactory mitigation plan.

## **VII. Adjournment**

The meeting was adjourned by consensus at 4:54 P.M.

— END —

**DRAFT**

**2020 HUD Entitlement Program (City of Ithaca, NY) – Funding Proposals Received**  
 Neighborhood Investment Committee (NIC) Recommendations

#	Project	Funding Request	Total Project Cost	ANTICIPATED AVAILABLE FUNDING						Project Summary Description
				2020 CDBG	CDBG (R/U)	2020 HOME	HOME (R/U)	2020 CDBG PI	TOTAL	
				\$682,732	\$2,607.85	\$335,173	\$38,082.88	\$120,000	\$1,178,595.73	
<b>HOUSING</b>				\$301,656.00						
1	2020 Homeowner Rehab	\$ 125,000	\$ 193,446.76						\$ -	Assist at least 6 LMI homeowners with projects that improve the condition and performance of their homes.
2	Small Repair Program	\$ 32,500	\$ 161,855	\$32,500.00					\$ 32,500.00	Provide 40 LMI homeowners with maintenance and repairs focused on health/safety issues, accessibility, and providing links to other programs and services.
3	Founder's Way For-Sale Townhomes (CHDO)	\$ 200,000	\$ 1,250,000	\$48,031.27	\$2,607.85	\$149,360.88			\$ 200,000.00	Construct 4 new 2-BR and 3-BR for-sale townhomes in northwest portion of the former Immaculate Conception School site.
4	Hawkins 622 Clinton Street Project	\$ 119,000	\$ 349,000						\$ -	Construction of affordable/mixed-income housing for 1 family at/below 60% AMI and 1 fair market rent family, for a minimum of 1 year.
[5]	Benton 532 Clinton Street Project	\$ 50,000	\$ 100,000						\$ -	Construction of affordable/mixed-income housing for 1 LMI family within 80% of AMI and 1 fair market value family housing unit, for a minimum of 1 year.
6	Security Deposit & Rental Subsidy Assistance for Formerly Incarcerated	\$ 44,000	\$ 63,000						\$ -	Direct payments to landlords to cover security deposits and some modest rental subsidies for formerly incarcerated individuals returning home to the community and at risk of homelessness.
7	Northside Apartments	\$ 300,000	\$ 42,712,139			\$90,877.94			\$ 90,877.94	Professional fees (e.g., engineering/architectural), environmental testing, permit fees, market study, Capital Needs Assessment, energy consultant, and legal fees to rehabilitate 70 housing units for LMI persons and constructing up to 12 housing units for LMI persons.
8	Security Deposit Assistance for Vulnerable Households (2020-21)	\$ 61,500	\$ 84,000			\$61,418.00	\$38,082.88		\$ 99,500.88	Provide security deposits to 100 LMI households (incl. elderly, disabled, single parents) at risk of homelessness to access safe/stable housing and avoid/end homelessness, with 5 security deposits reserved for homeless families/children in Housing for School Success program.
<b>HOUSING SUBTOTAL:</b>		<b>\$ 932,000</b>	<b>\$ 44,913,440.76</b>	<b>\$ 80,531.27</b>	<b>\$ 2,607.85</b>	<b>\$ 301,656.82</b>	<b>\$ 38,082.88</b>	<b>\$ -</b>	<b>\$ 422,878.82</b>	
<b>ECONOMIC DEVELOPMENT</b>										
9	ReUse Job Skills Training & Employment Connections	\$96,447.76	\$ 249,615.48	\$75,000.00					\$ 75,000.00	Participant stipends and staff salaries to provide job training opportunities for LMI populations and place at least 21 adults with employment barriers into permanent unsubsidized positions.
10	Work Preserve Job Training: Job Placements	\$ 67,500	\$ 177,636	\$67,500.00					\$ 67,500.00	Staff salaries and participant stipends for job placements of 6 LMI individuals (e.g., youth, adults, homeless, formerly incarcerated, people with disabilities/mental illness, people with barriers to employment, new entrants to workforce), following job-readiness training.
11	Hospitality Employment Training Program (HETP)	\$ 120,000	\$ 192,000	\$92,875.00					\$ 92,875.00	Staff, supplies, stipends, and professional fees to train 20 and place 14 LMI adults with employment barriers (e.g., people with disabilities, formerly incarcerated, homeless, recovering addicts, immigrants, single parents) into hospitality and office/administrative positions.
12	Family Child Care Microenterprise Business Development	\$ 68,650	\$ 101,525	\$54,050.00					\$ 54,050.00	Administrative salaries to develop and launch 10-week family child care business training course with supporting materials, including assistance with micro-enterprise licensure, quality-assurance, and long-term viability.
[#]	Economic Development Loan Fund	\$ 120,000	\$ 300,000					\$120,000.00	\$ 120,000.00	Capitalize loan fund for business loans resulting in job creation (including underwriting and delivery).
<b>ECONOMIC DEVELOPMENT SUBTOTAL:</b>		<b>\$ 472,597.76</b>	<b>\$ 1,020,776.48</b>	<b>\$ 289,425.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000.00</b>	<b>\$ 409,425.00</b>	
<b>PUBLIC FACILITIES</b>										
13	Southside Park Enhancement Project	\$ 113,950	\$ 133,135	\$36,600.00					\$ 36,600.00	Repair of existing deteriorated park amenities and construction of new park features in three neighborhood parks (Baker Park, Titus Triangle Park, Wood Street Park) in South of the Creek area.
14	Reimagining Ithaca Community Gardens	\$ 54,950	\$ 239,950	\$31,960.00					\$ 31,960.00	Storage sheds, welcome gates, event pavilion (construction/materials), building class scholarships, and acoustical blanket to shield gardens closest to B&W from sound 'triangle' that bounces off building from Route 13.
15	New Gym Renovation	\$ 300,000	\$ 1,100,400						\$ -	Design/architecture, materials, and construction costs to renovate former Immaculate Conception School gymnasium for indoor recreation space and afterschool program space for GIAC Teen Program and the community.
16	Food Pantry Mechanical Dock Leveler	\$ 14,470	\$ 17,745	\$14,470.00					\$ 14,470.00	Professional fees and concrete repair-work to replace soon-to-be-unusable mechanical dock leveler that allows receipt of food from Southern Tier Food Bank delivery truck for weekly Food Pantry for households with very low incomes.
[17]	Roof Replacement	\$ 16,000	\$ 24,000						\$ -	Pay contractor and purchase materials to replace church roof, so the food pantry can continue to serve people in need (e.g., youth, adults, elderly, formerly incarcerated).
18	Curb Ramps to Complete ADA Compliance at West Village TCAT Bus Stop	\$ 11,000	\$ 11,000	\$11,000.00					\$ 11,000.00	Materials and labor (e.g., professional fees, construction, staff salaries) to install two sidewalk curb ramps and sidewalk panels at West Village Place/Elm Street intersection on Lower West Hill, to remove barriers and improve safe access to TCAT's West Village bus stop.
<b>PUBLIC FACILITIES SUBTOTAL:</b>		<b>\$ 510,370</b>	<b>\$ 1,526,230</b>	<b>\$ 383,455.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,030.00</b>	
<b>PUBLIC SERVICES</b>				\$102,409.80						
19	GO ITHACA Low-Income Support	\$ 12,200	\$ 188,205	\$12,200.00					\$ 12,200.00	Partial subsidies of bus and ridehail fares to reduce transportation barriers to work and services for households at/below 150% of Federal Poverty Level (FPL), and some staffing costs.
20	2-1-1 Information & Referral	\$ 20,000	\$276,120	\$20,000.00					\$ 20,000.00	Staff salaries to support 2-1-1 Call Center information and referral services for 2,700 LMI persons.
21	Work Preserve Job Training: Job Readiness	\$ 20,000	(same as #10 above)	\$20,000.00					\$ -	Staff salaries to provide 20 LMI youth and adults with job-readiness training, workplace evaluations, and support transitioning to other services or employment.
22	Immigrant Services Program (ISP)	\$ 30,000	\$ 82,500	\$30,000.00					\$ 30,000.00	Staffing to provide 100 refugees and immigrants with direct services and referrals so they can integrate into the community.
[23]	Fair Housing Enforcement Project	\$ 90,000	\$ 90,902.75						\$ -	Staff salary, materials, and overhead costs to increase access to housing for vulnerable LMI populations (e.g., elderly, disabled, formerly incarcerated, domestic violence victims, people at risk of homelessness) and improve Ithaca's housing stock.
<b>PUBLIC SERVICES SUBTOTAL:</b>		<b>\$ 172,200</b>	<b>\$ 637,728</b>	<b>\$ 82,200.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,200.00</b>	
<b>ADMINISTRATION</b>										
24	CDBG Administration (20%)	\$ 136,546	\$ 136,546	\$ 136,546					\$ 136,546	Planning, administration, and monitoring for CDBG program.
25	HOME Administration (10%)	\$ 33,517	\$ 33,517			\$ 33,517			\$ 33,517	Planning, administration, and monitoring for HOME program.
<b>ADMINISTRATION SUBTOTAL:</b>		<b>\$ 170,063</b>	<b>\$ 170,063</b>	<b>\$ 136,546</b>	<b>\$ -</b>	<b>\$ 33,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,063</b>	
<b>TOTALS:</b>		<b>\$ 2,257,230.76</b>	<b>\$ 48,268,238</b>	<b>\$ 682,732</b>	<b>\$ 2,607.85</b>	<b>\$ 335,174</b>	<b>\$ 38,082.88</b>	<b>\$ 120,000</b>	<b>\$ 1,158,596.82</b>	R/U = Recaptured/Unallocated (from prior years)   LMI = Low & Moderate Income (80% or less of AMI)   AMI = Area Median Income (Tompkins County)   FTE = Full-Time Equivalent   PI = Program Income

**DRAFT MINUTES**  
**ITHACA URBAN RENEWAL AGENCY**  
** VIRTUAL MEETING**  
**8:30 A.M., Thursday, April 2, 2020**

Members: Mayor Svante Myrick, Chair; Tracy Farrell, Vice-Chair; Karl Graham; Chris Proulx; Eric Rosario; Laura Lewis, Common Council Liaison  
Excused: None.  
Staff: Nels Bohn; Anisa Mendizabal; Charles Pyott  
Guests: None.

**I. Call to Order**

Chair Myrick called the meeting to order at 8:33 A.M.

**II. Agenda Additions/Deletions**

None.

**III. Public Comments**

None.

**IV. 2020 HUD Entitlement Grant Applications: PUBLIC HEARING #1 (Part II)**

On a motion by Farrell, seconded by Rosario, and unanimously approved, Chair Myrick re-opened the Public Hearing.

**— ECONOMIC DEVELOPMENT APPLICATIONS —**

**1. PROJECT #9: REUSE JOB SKILLS TRAINING & EMPLOYMENT CONNECTIONS — FINGER LAKES REUSE, INC. (FLRU)**

Speaker	Affiliation	Comments-in-Brief
Robin Elliott	Finger Lakes ReUse, Inc.	FLRU’s job-training program is integrated directly into the organization’s operations. The ReUse Skills & Employment Training (ReSET) Program has grown since its inception, with offerings in information technology, retail, and customer service. ReSET has been critical to the organization for refurbishing growing volumes of electronics, while offering a range of skill-building opportunities, retail sales training, and one-on-one interactions with local professionals. The proposed program would connect 21 local people to permanent

Speaker	Affiliation	Comments-in-Brief
		<p>jobs, including re-entry Apprentices. Since inception, ReSET has enrolled 148 participants, with 30 Apprentices, with an overall retention rate of 78%. Of the 106 participants who completed the program at least one year ago, 55 reported having obtained and retained successful employment six months after graduating from the program.</p>
Anise Hotchkiss	Finger Lakes ReUse, Inc.	<p>Before piloting the re-entry Apprenticeship program, FLRU researched other successful re-entry programs and identified that they support a multitude of needs, including transportation, housing, mental health, and soft-skill development. FLRU has found it critical to provide as many supportive services in-house, as possible. Re-entry participants' barriers to employment primarily originate outside the work place (e.g., housing, transportation, soft skills, mental health, decision-making). Because of that, the funding request includes \$2,500 for soft-skills training to continue to improve the retention rate. FLRU invests considerable time resolving various issues, sometimes in conjunction with Catholic Charities of Tompkins/Tioga Counties or Tompkins County Mental Health (TCMH), or coaching/mentoring participants. Soft-skills development can make or break employment, and they often involve a steep learning curve.</p>
Diane Cohen	Finger Lakes ReUse, Inc.	<p>FLRU has been grappling with the COVID-19 situation and examining its potential impact. While it certainly presents significant concerns to the organization, FLRU remains optimistic about its long-term prospects. FLRU experienced a particularly strong start to 2020, partly due to its refinancing. FLRU is well-positioned to navigate through any financial challenges. It continues to plan on scaling up its operations and overall growth, with enormous volumes of donations and demand. FLRU is prioritizing generating revenue (\$1.5M this year) by expanding its online sales platform. FLRU does not anticipate the COVID-19 situation impacting its current IURA funding proposal.</p>

**2. PROJECT #10: WORK PRESERVE JOB TRAINING: JOB PLACEMENTS — HISTORIC ITHACA, INC.**

Speaker	Affiliation	Comments-in-Brief
Susan Holland	Historic Ithaca, Inc.	<p>The job placement program was established in 2014. Since then, the program has placed 22 participants in permanent employment positions (increasing the goal from 3 to 6 per year). The program seeks to successfully place its graduates in a job (which is often a participant’s first job). Historic Ithaca staff serve as mentors and create individualized plans to complete job applications, practice interviewing, attend job fairs, and identify transportation options. One of the program’s hallmarks is to create a pipeline to employers looking for entry-level workers. Historic Ithaca is building a comprehensive list of employers to reach out to about the program. It has also been making strides in expanding its relationships with local employers and obtaining commitments from them.</p>
Sara Johnson	Historic Ithaca, Inc.	<p>Program staff has been working to create updated training structures. It continues to be committed to serving individuals with barriers to employment, recognizing that the needs of the local population may be different going forward, due to the COVID-19 situation. Future applicants may have more work experience than past participants, but are looking for a career change (e.g., out of the retail, hospitality, or food service industries). Historic Ithaca already has established pathways in place for the construction and administrative services fields. For individuals with prior work experience, Historic Ithaca expects the duration of training would be shorter, since they would enroll in the program already equipped with necessary soft skills. Historic Ithaca is also focusing more attention on online sales, phone services, and shipping/handling skills in its training.</p>
Suzanne Onodera	Historic Ithaca, Inc.	<p>Historic Ithaca surveyed employers to identify key barriers to employment and identified the following four major categories: (1) Transportation: Participants need to find independent modes of transportation, so Historic Ithaca has given out bus passes. It has also responded to participants who needed driver’s permits, with a study class. (2) Social Skills: Participants are required to develop their personal introductions, practice mutual respect, dress for interviews, and network. (3) Motivation: Most participants have had little to no work experience, so have developed very little work stamina, which Historic Ithaca coaches them on. (4) Coachability: Learning to ask questions and listen is vital to one’s success in workplace.</p>

Graham asked what the impact on the program would be if Historic Ithaca does not receive the full funding request. Holland replied Historic Ithaca usually figures things out and works as best it can with other funding sources. The organization has a diverse funding stream, so it could probably work with a little less than the requested amount. It was also fortunate to have had a very successful January-March.

**3. PROJECT #11: HOSPITALITY EMPLOYMENT TRAINING PROGRAM (HETP) — GREATER ITHACA ACTIVITIES CENTER, INC. (GIAC)**

Speaker	Affiliation	Comments-in-Brief
Leslyn McBean-Clairborne	Greater Ithaca Activities Center (GIAC)	McBean-Clairborne introduced the new Program Coordinator, Aleshia Akers, and the new Program Assistant, Sabrina Draffen.
Aleshia Akers	Greater Ithaca Activities Center (GIAC)	HETP has a successful history of job placement and retention. 73% of program participants have maintained employment. HETP staff checks in with graduates every two years to evaluate their success. HETP offers vital assistance in obtaining necessities (e.g., childcare, transportation) for some of the most vulnerable community members. Being housed within GIAC makes the program considerably more accessible, further helping engage vulnerable populations. In terms of its COVID-19 response, one-on-one meetings have continued to take place, although internships are currently on hold. Staff is offering additional check-ins and interview preparation. The program will be needed now, more than ever, for marginalized communities.
Sabrina Draffen	Greater Ithaca Activities Center (GIAC)	Draffen shared a success story of her younger sibling, whom HETP helped to launch her career, eventually going on to establish her own successful therapeutic massage practice.

Graham asked what the impact on the program would be if HETP does not receive the full funding request. Akers replied that job training and other services targeted to low-income and disenfranchised participants, in particular, would basically come to a halt, because HETP would no longer be able to pay costs for certifications, driver's licenses, childcare, and other services. Job seekers, in turn, could be delayed in attaining long-term employment. Although GIAC is seeking State and private funding for 2021, it does not qualify for some grants, so the IURA funding remains vital.

Graham asked if stipends would be impacted first, should HETP not receive the full funding request, or if staffing would be cut. Akers replied HETP would accept fewer participants and those participants would likely not receive the full level of support currently being offered.

Proulx asked how many people applied and were accepted, over the last year. Akers explained that HETP receives many applications from people who are transient or not contactable. HETP received approximately 35 applications and accepted 12.

**4. PROJECT #12: FAMILY CHILD CARE MICROENTERPRISE BUSINESS DEVELOPMENT — CHILD DEVELOPMENT COUNCIL OF CENTRAL NY, INC.**

Speaker	Affiliation	Comments-in-Brief
Jude Rose	Child Development Council of Central NY, Inc.	The current COVID-19 situation makes home-based childcare even more important. There is high demand for childcare in Ithaca, but the county-wide capacity serves only 33% of the need. Currently, 8 home-based childcare programs actually serve more households than the major childcare centers. Establishing and constructing entirely new childcare centers is costly and takes considerable time. Many residential properties in Ithaca would be able to comply with applicable home-based childcare regulations. Home-based childcare is very affordable, often more convenient, and can offer care during non-traditional hours. It is logical and economical to focus on home-based childcare, especially considering the strain large childcare providers are experiencing today. Potential home-based childcare providers do not know all the regulatory complexities and business-oriented aspects that are involved, so they need assistance. The program would operate a 15-week course to enable participants to launch a successful business and overcome any challenges. The Child Development Council has been working with childcare providers for 50 years, on issues like inspections, training, and regulatory challenges. Over the past 20 years, home-based childcare has actually decreased by 68% in Tompkins County, a trend the community cannot afford to allow to continue.

Farrell observed the Child Development Council received \$50,000 in County funding. She asked how that is being used. Rose replied that money funds her own position.

Farrell asked about the \$19,000 budgeted for overhead expenses. Rose replied her financial advisor indicated that 10% of the total budget is the standard for overhead, which would go towards office expenses, computers, and other administrative costs.

Proulx observed \$19,000 actually seems greater than 10% of the total project budget. Rose replied she would need to check with her financial advisor. She agreed there seems to be a discrepancy there.

Proulx noted the application commits to placing one home-based childcare business in the City. He asked what would be required to place the majority in the City. Rose replied she would very much love for that to be the situation, but it would depend on the ‘footwork’ of searching for potential locations and providers. It is conceivable the program could work more intensively in the City. For the purposes of the application, she sought to provide the most realistic figure, based on past experience.

Graham asked what the impact on the program would be if it does not receive the full funding request this year or in future years, and if there has been any consideration given to making the program financially self-sustaining. Rose replied the Child Development Council operates a number of different projects that dovetail into this new initiative. It has worked with employers to help fund different components of the program (e.g., remodeling homes, stipends). It is also working with TC3 to develop relevant micro-credentials, which may provide an opportunity for workforce-development funding for some of the training.

Bohn asked if the Child Development Council has selected the program administrator or identified a pool of qualified candidates for the position. Rose replied, not yet.

**— PUBLIC FACILITIES APPLICATIONS —**

**5. PROJECT #13: SOUTHSIDE PARK ENHANCEMENT PROJECT — CITY OF ITHACA**

Speaker	Affiliation	Comments-in-Brief
Megan Wilson	City of Ithaca	Ever since the City adopted its Comprehensive Plan, it has been focusing on Phase II of the plan: preparation of specific neighborhood or thematic plans (e.g., Parks & Recreation Master Plan; Southside Neighborhood Plan). As the Southside Neighborhood Plan was being drafted, there was widespread agreement in the neighborhood that local parks are well-used and cherished. Residents use one or more of them at least occasionally. But many of the parks need repairs and upgrades. The proposal would create improvements to Baker Park, Titus Triangle Park, and Wood Street Park. The existing Wood Street Park playground equipment is geared toward smaller children (under 5 years of age), so the proposed playground re-installation would offer another option for older children and siblings closer to home. More benches and repairs to existing benches are one of the most requested improvements by the neighborhood and would provide more places for seniors and others to sit in the parks. Titus Towers residents specifically requested a walking trail, and the Baker Park loop would provide a safe and level walking route. Improved lighting, additional trash cans, and better signage would also make the parks feel safer, cleaner, and more welcoming to all.
Jeanne Grace	City of Ithaca	

Rosario asked about the asterisks listed in the recommendations section of the application. Wilson replied those designate recommendations the proposed project would either completely or partially implement.

Graham inquired into the selection of the physical components of the park improvements and whether alternative choices could provide a savings opportunity. Wilson replied the lighting elements and other components were chosen because they have been used in other parks and City properties; the City has a good understanding of their costs and long-term maintenance needs.

Farrell asked what the impact on the project would be if it does not receive the full funding request and which aspects of the proposal the City would prioritize. Wilson replied it would certainly be possible to develop a list of priorities, although she is not absolutely certain which elements would rise to the top. The playground, however, cannot remain in storage very much longer, so that would most likely be a priority.

**6. PROJECT #14: REIMAGINING ITHACA COMMUNITY GARDENS (ICG) — PROJECT GROWING HOPE**

Speaker	Affiliation	Comments-in-Brief
Megan Mosher	Project Growing Hope	ICG has been an Ithaca institution for more than 44 years and is completely volunteer-run. Focusing on food security, self-reliance, and sustainability, the 2-acre site is used by 150 households, most of whom are LMI, from all walks of life (e.g., students, young families, elderly). ICG also provides educational/training opportunities and partners with various organizations. Since 2018, ICG has been negotiating with Cayuga Medical Center and Park Grove Realty, as they develop the mostly vacant land, to reconfigure ICG. IURA funds would be used for storage sheds, welcome gates, an event pavilion, building class scholarships for LMI women, and an acoustical blanket to shield the gardens closest to Route 13.
Marty Hiller	Project Growing Hope	The new event pavilion would replace the existing gazebo, which is small and deteriorated, thereby helping ICG expand its educational offerings. People have always relied on home-grown food to get through difficult economic times.

Farrell asked what the impact on the project would be if it does not receive the full funding request and which aspects of the proposal ICG would prioritize. Hiller replied ICG would probably prioritize the entryways and garden sheds. The acoustic blanket is also very important for the people in that section of the site.

Graham observed that the 200 future new housing units would most likely increase demand for garden plots. He asked how ICG would prioritize and accommodate that additional demand. Hiller replied ICG has 20-30% turn-over each year, which would facilitate accommodating that demand. ICG accepts new gardeners on a first-come first-served basis. It is also evaluating offering a wider range of plot sizes on the newly configured site, and possibly searching for other new sites in the City.

**7. PROJECT #15: NEW GYM RENOVATION — GREATER ITHACA ACTIVITIES CENTER, INC. (GIAC)**

Speaker	Affiliation	Comments-in-Brief
Leslyn McBean-Clairborne	Greater Ithaca Activities Center (GIAC)	GIAC has a long history serving as a safe space and community hub, which the new gym would enable it to continue doing. The need for additional space has become more apparent over last three years, as GIAC programs began to grow significantly (20-30%). The youth program has taken over current available space, displacing the team program. GIAC does not have a viable gym space in its current facility, so it is seeking to move the entire team program into the new gym space. This would also help solidify GIAC’s presence/role in the neighborhood as a hub of community activity. GIAC’s Capital Campaign would fund approximately 25% of the project. The future INHS low-income housing at the site would also benefit from close proximity to the gym and GIAC programs.

Graham asked if major construction on the project would begin in 2021. McBean-Clairborne replied, yes. GIAC has been collaborating with the City Engineering Division in planning the project, and some interior work could conceivably be commenced in November-December 2020.

Proulx asked if the gym extension on the east wall is included in the proposal. McBean-Clairborne replied, no. That is not included, since GIAC is still negotiating with the NYS Department of Education. If the plan for the extension is successful, GIAC would need additional funding. She added one contractor has offered some *pro bono* labor and Lowes has also tentatively offered to donate supplies and materials.

Graham asked if the Dormitory Authority of the State of New York (DASNY) application has been submitted. McBean-Clairborne replied, yes. It has been approved. GIAC is simply waiting for the release of funds.

Rosario inquired into the status of the private Capital Campaign. McBean-Clairborne replied GIAC extended the fundraising timeline to March 2021. It has received \$120,000 so far.

**8. PROJECT #16: FOOD PANTRY MECHANICAL DOCK LEVELER — TOMPKINS COMMUNITY ACTION, INC.**

Speaker	Affiliation	Comments-in-Brief
Lee Dillon	Tompkins Community Action, Inc.	IURA funding would enable TCAction to replace a critical, soon to be unusable mechanical dock leveler that allows it to receive food from the Southern Tier Food Bank delivery truck for TCAction’s weekly Food Pantry targeting very low-income households. As a result of the COVID-19 situation, TCAction is particularly busy now. The Food Pantry serves clients 3 days a week by appointment (9 households/day).

**9. PROJECT #17: ROOF REPLACEMENT — BAPTIZED CHURCH OF JESUS CHRIST OF THE APOSTOLIC FAITH**

Mendizabal explained the applicant will not be presenting today. Its application was submitted after the deadline. A straw poll of IURA Board members resulted in a decision not to consider the application.

**10. PROJECT #18: CURB RAMPS TO COMPLETE ADA COMPLIANCE AT WEST VILLAGE TCAT BUS STOP — ITHACA URBAN RENEWAL AGENCY**

Speaker	Affiliation	Comments-in-Brief
Anisa Mendizabal	Ithaca Urban Renewal Agency (IURA)	IURA funding would enable completion of an IURA-funded Tompkins Consolidated Area Transit, Inc. (TCAT) project, which upgraded three bus stops (2017 Project #12, “Urban Bus Stop & Amenities Upgrade”). The project would remove barriers to accessing the TCAT bus shelter at West Village Place and Elm Street, by installing ADA-compliant sidewalk curb ramps at each corner of West Village Place, along with additional panels of sidewalk necessary to increase the accessibility and safety of the high-use bus stop. It would greatly benefit people with disabilities and/or people using any mobility-assistive devices, as well as the elderly.
John Licitra	City of Ithaca	

Farrell asked why the project could not be completed as part of the City’s existing Sidewalk Improvement Districts (SID) program. Licitra replied the SID workplan is generated using an algorithm based on community requests. Although he did add the project to the workplan, it is a lower priority, since the sidewalk itself remains in fairly good condition. High-priority projects first focus on crumbling sidewalks.

Graham asked what the impact on the project would be if the City does not receive the full funding request. Licitra replied, unfortunately, he does not believe it is scalable, so it would probably need to be delayed a year.

Farrell asked if it would become a higher priority next year. Licitra replied it is difficult to predict. It would depend on the needs identified in District 5 and subsequent public feedback. Many other areas in District 5 also need work.

On a motion by Farrell, seconded by Rosario, and unanimously approved, Chair Myrick adjourned the Public Hearing.

#### **V. Review of Draft Meeting Minutes: March 26, 2020**

**Rosario moved, seconded by Farrell, to approve the March 26, 2020 meeting minutes, with no modifications.**

**Carried Unanimously: 5-0**

#### **VI. Other Business**

##### **A. Response to COVID-19**

###### **1. Emergency Micro-Enterprise Working Capital Assistance Program**

Bohn explained this agenda item is a follow-up to the discussion at the last meeting. As he discussed at that time, he has been working closely with City staff, Tompkins County Area Development (TCAD), economic development professionals, Small Business Administration (SBA), Chamber of Commerce, and Downtown Ithaca Alliance (DIA) to address the local economic impacts of the COVID-19 situation. The goal would be to complement the Federal stimulus and identify any gaps that need to be filled, especially for small businesses. The primary benefits of IURA assistance would be providing: (1) quicker assistance than the Federal stimulus could provide; and (2) assistance to groups left out of the stimulus package (e.g., micro-enterprises, small businesses). Any assistance plan would be developed in collaboration with TCAD. The IURA Board can either adopt the proposed resolution in its current form, which could be amended if need be, or request that the Economic Development Committee (EDC) review and finalize it at its next meeting. Bohn added he understands the City may be awarded approximately \$400,000 in additional CDBG funding, from the *Coronavirus Aid, Relief, & Economic Security (CARES) Act*.

Farrell asked if the IURA would convey the Emergency Micro-Enterprise Working Capital Assistance Program funding to the Community Development Financial Institutions (CDFIs), which would be responsible for issuing the loans, or if the IURA itself would issue the loans, which the CDFIs would then administer. Bohn replied that if the City does receive approximately \$400,000 in additional CDBG funds, issuing as many as 28 separate loans would come at time when the IURA would need to focus on dedicating staff time to administering those additional CDBG funds, so it may be best if the CDFIs issued the loans themselves.

Farrell remarked that the category of “Concerns considered as hobbies,” under “Ineligible Borrowers,” in the resolution seems questionable to her, since it would appear to preclude assisting gift shops and similar businesses. Bohn replied that was an effort to avoid assisting, for example, an individual who happens to earn a modest amount of alternative income that is not their primary source of income. It was not intended to exclude hobby or gift stores. That could certainly be clarified in the resolution.

Proulx wondered if there would be a requirement that the business have a tangible physical presence, which would preclude assisting online businesses or businesses that are not open to the public. He also wondered about the eligibility of non-profit organizations. Bohn replied non-profits would definitely not be eligible. In terms of physical presence, that is something the IURA could amend. The working group wanted to give priority to tangible physical businesses, but that does not mean a physical storefront would absolutely be required, to be eligible.

Proulx recommended adding language in “Eligible Uses of Loan Funds” section requiring that the business have a tangible physical presence. Farrell agreed. Bohn noted some catering businesses without a physical storefront may nonetheless be seriously impacted by the COVID-19 situation.

Graham remarked the definition of the term “hobby” should be clarified. He knows of many small businesses that are used to significantly supplement a household’s annual income. Bohn suggested establishing a threshold (e.g., minimum percentage of annual income) to address that issue.

Graham noted it will be important to avoid potential conflicts of interest in administering the funding. His employer, Alternatives Federal Credit Union (AFCU), for example, works with many micro-enterprises, in whose financial success it is invested in. The process should be as neutral as possible and designed to mitigate any potential conflicts of interest, as much as possible. Bohn responded language could certainly be included in the program’s policy to manage those kinds of conflicts.

Proulx asked how the \$5,000 figure was calculated. Bohn replied there was some discussion in the working group about the amount. \$5,000 was deemed to be the minimum amount sufficient to assist a business in a meaningful way, while maximizing the number of assisted businesses.

Graham disclosed he has a potential conflict of interest associated with his employment with Alternatives Federal Credit Union (AFCU).

**Moved by Rosario, seconded by Farrell:**

### **Establishment of COVID-19 Micro-Enterprise Loan Program**

WHEREAS, the IURA seeks to assist local micro-enterprise businesses stabilize and survive the COVID-19 pandemic, and

WHEREAS, the City, IURA, Downtown Ithaca Alliance (DIA), Tompkins County Area Development (TCAD), Ithaca Neighborhood Housing Services (INHS), Alternatives Federal Credit Union (AFCU), and other economic development professionals are collaborating on developing programs to assist local businesses economically injured by the COVID-19 pandemic, and

WHEREAS, the IURA controls an economic development Revolving Loan Fund with a balance of over \$150,000 that must comply with Community Development Block Grant (CDBG) Program regulations, and

WHEREAS, IURA funds are eligible to assist micro-enterprises owned by low-to-moderate income (LMI) persons, but may not be appropriate for other local businesses, that may be eligible for assistance from other partners, and

WHEREAS, administration of an IURA loan program by a local Community Development Financial Institution (CDFI) could simplify compliance with CDBG regulations, relieve the IURA of administrative burdens, and serve as a model or other funders to coordinate a single point of contact for businesses seeking local assistance in response to the COVID-19 pandemic, and

WHEREAS, both Ithaca Neighborhood Housing Services, Inc. and Alternatives Federal Credit Union are locally based CDFIs, and

WHEREAS, the use of these revolving loan funds is governed by the IURA *Economic Development Financing Policy Guidelines and Operating Plan*; now, therefore, be it

**RESOLVED**, that the IURA hereby allocates up to \$140,000 of economic development revolving loan funds to capitalize a COVID-19 Micro-Enterprise Resiliency Program, and be it further

**RESOLVED**, that the IURA *Economic Development Financing Policy Guidelines and Operating Plan* is hereby amended to create the following COVID-19 Micro-Enterprise Resiliency Program:

#### **9.5 COVID-19 Micro-Enterprise Resiliency Program**

- (a) Objective. Provide short-term working capital assistance as emergency relief to existing for-profit micro-enterprises economically injured by the COVID-19 pandemic to help retain their economic viability and — if closed due to government order, mandated social distancing, or disruptions in the supply or distribution chain — to re-open for business when social distancing mandates are relaxed.
- (b) Eligible Borrowers. For-profit micro-enterprises owned by a Low/Moderate-Income (LMI) person (earning 80% or less of the Area Median Income adjusted for family size) that were in operation with a tangible physical presence on February 15, 2020. A micro-enterprise is defined as a business employing five or fewer employees, one or more of whom owns the business.
- (c) Geographic Eligibility. City of Ithaca
- (d) Maximum Loan: \$5,000
- (e) Disbursement: Advance payment of up to \$5,000 upon loan approval
- (f) Loan Term: 18 months
- (g) Interest Rate: 0%
- (h) Repayment. All loan payments are deferred for 6 months, then level monthly payments are due on the unforgiven portion of the principal balance to amortize the outstanding principal balance over 12 months.

- (i) Forgiveness. The portion of loan proceeds (up to 100%) used for documented eligible uses is forgiven, if the micro-enterprise is in operation with a tangible physical presence in the City of Ithaca on either December 1, 2020 or 6 months after issuance of the loan.
- (j) Security. Personal financial guarantee of all owners with a 20% or greater ownership position.
- (k) Collateral. No pledged collateral required.
- (l) Eligible Uses of Loan Funds. Funds may be used for the following operating expenses:
  - (1) Wages and salaries of employees
  - (2) Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave
  - (3) Fixed debts, including mortgage (excluding any prepayment)
  - (4) Rent
  - (5) Utilities
  - (6) Business debt obligations that were incurred before February 15, 2020
  - (7) Accounts payable
  - (8) Inventory
  - (9) Supplies
  - (10) Other necessary and reasonable expenses as specifically approved by the lender, or lender's authorized agent.
- (m) Job Creation. No job creation required.
- (n) CDBG National Objective Test. Low/mod status of micro-enterprise owner.
- (o) Ineligible Borrowers. The following applicants are not eligible for assistance through this program:
  - (1) Gambling concerns
  - (2) Lending or investment concerns
  - (3) Multi-level sales distribution(pyramid) concerns
  - (4) Loan packagers
  - (5) Pawn shops
  - (6) Real estate developers and brokers
  - (7) Landlords
  - (8) Insurance concerns
  - (9) Concerns that derive 70% or more of gross receipts from sale of alcoholic beverage
  - (10) Concerns engaged in illegal activities
  - (11) Concerns engaged in the sale of products and/or services of a prurient sexual nature
  - (12) Professional services, such as legal, architecture, engineering services, unless a significant economic injury due to COVID-19 is documented
  - (13) Concerns that are delinquent on City property taxes or fees (unless loan proceeds will be used to remedy the delinquency)
  - (14) Concerns considered as hobbies
- (p) Authorized loan administrators. IURA Economic Development Committee and/or locally based Community Development Financial Institutions, including Ithaca Neighborhood Housing Services, Inc. and the Alternative Federal Credit Union including delegation of loan approval subject to a written agreement.

- (q) Waivers. For the purposes of this emergency program, the following sections of the IURA *Economic Development Financing Policy Guidelines and Operating Plan* shall be waived, including but not limited to the following sections:
- 5.4 requiring job creation
  - 6.2 requiring an application fee
  - 6.3 and 6.5 requiring a full credit analysis
  - 7.2 regarding borrower responsibility for all loan closing costs
  - 7.4 to allow a loan advance
- (r) Priority projects. In the event demand for the program exceed funds available, the following priorities shall be considered when allocating limited resources:
- (1) Businesses for which their landlord or lender provides matching support (such as deferred rent or deferred loan payments) thereby leveraging the impact of the program
  - (2) Ground-floor storefront businesses open to the general public
  - (3) Businesses that were ordered closed by order of the Governor to minimize community spread of the virus
  - (4) Businesses that rely heavily on social proximity for revenues
  - (5) Minority- or woman-owned business ownership
  - (6) Target area: the city Density District, including the greater downtown, the West State Street corridor, the West End, and the Waterfront

**Carried Unanimously: 5-0**

## **2. Coronavirus Aid, Relief, & Economic Security (CARES) Act & CDBG Funding**

Bohn reported some additional CDBG funding was allocated in the *Coronavirus Aid, Relief, & Economic Security (CARES) Act*. He would expect Ithaca to receive approximately \$400,000. The goal is to disseminate those funds as quickly as possible to the community. The standard 15% Public Services cap would be waived.

## **VII. Adjournment**

The meeting was adjourned by consensus at 11:06 A.M.

**— END —**

**Proposed Resolution  
IURA Economic Development Committee  
April 14, 2020**

**Amendment #1 to COVID-19 Microenterprise Resiliency Program**

Whereas, the IURA seeks to assist local microenterprise businesses stabilize and survive the COVID-19 pandemic, and

Whereas, the City, IURA, DIA, TCAD, INHS, AFCU and other economic development professionals are collaborating on developing programs to assist local businesses economically injured by the COVID-19 pandemic, and

Whereas, the IURA controls an economic development revolving loan fund with a balance of over \$150,000 that must comply with CDBG regulations, and

Whereas, IURA funds are eligible to assist microenterprises owned by low/mod income persons, but may not be appropriate for other local businesses, that may be eligible for assistance from other partners, and

Whereas, on April 2, 2020, the IURA allocated up to \$140,000 of economic development revolving loan funds to capitalize a COVID-19 Microenterprise Resiliency Program, and

Whereas, the IURA further amended the Financing Policy Guidelines and Operating Plan to create the following COVID-19 Microenterprise Resiliency Program, and

Whereas, the Tompkins County Development Corporation (TCDC) has pledged \$150,000 of match funding to expand the program countywide and assist small businesses with up to 25 employees, and

Whereas, partnering economic development agencies have agreed on a common framework for a program to be titled COVID-19 Small Business Resiliency Fund that will include IURA and TCDC funding and be delivered through a subrecipient agreement by Alternatives Federal Credit Union, a certified Community Development Financial Institution, and

Whereas, working to prepare the program for public launch identified potential amendments to the IURA program, and

Whereas, the IURA Economic Development Committee considered this matter at their April 14, 2020 meeting and recommends the following; now, therefore, be it

**RESOLVED**, that the IURA hereby adopts the following amendments to the IURA Financing Policy Guidelines and Operating Plan:

## 9.5 COVID-19 Microenterprise Resiliency Program

- (a) Objective. Provide short-term working capital assistance as emergency relief to existing for-profit microenterprises economically injured by the COVID-19 pandemic to help retain their economic viability and - if closed due to government order, mandated social distancing, or disruptions in the supply or distribution chain - to re-open for business when social distancing mandates are relaxed.
- (b) Eligible Borrowers. For-profit microenterprises owned by a Low/Moderate Income (LMI) person (earning 80% or less of the Area Median Income adjusted for family size) that were in operation with a tangible physical presence on February 15, 2020. A microenterprise is defined as a business employing five or fewer employees, one or more of whom owns the business.
- (c) Geographic Eligibility. City of Ithaca
- (d) Maximum Loan: \$5,000
- (e) Disbursement: Advance payment of up to ~~\$5,000~~\$2,500 upon loan approval
- (f) Loan Term: 18 months
- (g) Interest Rate: 0%
- (h) Repayment. All loan payments are deferred for 6 months, then level monthly payments are due on the unforgiven portion of the principal balance to amortize the outstanding principal balance over 12 months
- (i) Forgiveness. The portion of loan proceeds (up to 100%) used for documented eligible uses is forgiven if the microenterprise is in operation with a tangible physical presence in the City of Ithaca on either December 1, 2020 or 6 months after issuance of the loan.
- (j) Security. Personal financial guarantee of all owners with a 20% or greater ownership position
- (k) Collateral. No pledged collateral required.
- (l) Eligible Uses of Loan Funds. Funds may be used for the following operating expenses:
  - (1) Wages and salaries of employees
  - (2) Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave

- (3) Fixed debts, including mortgage (excluding any prepayment)
  - (4) Rent
  - (5) Utilities
  - (6) Business debt obligations that were incurred before February 15, 2020
  - (7) Accounts payable
  - (8) Inventory
  - (9) Supplies
  - (10) Other necessary and reasonable expenses as specifically approved by the lender, or lender's authorized agent.
- (m) Job Creation. No job creation required.
- (n) CDBG National Objective Test. Low/mod status of microenterprise owner.
- (o) Ineligible Borrowers. The following applicants are not eligible for assistance through this program:
- (1) Gambling concerns
  - (2) Lending or investment concerns
  - (3) Multi-level sales distribution(pyramid) concerns
  - (4) Loan packagers
  - (5) Pawn shops
  - (6) Real estate developers and brokers
  - (7) Landlords
  - (8) Insurance concerns
  - (9) Concerns that derive 70% or more of gross receipts from sale of alcoholic beverage
  - ~~(9)~~(10) Concerns that derive 70% or more of gross receipts from sale of nicotine products and accessories
  - ~~(10)~~(11) Concerns engaged in illegal activities
  - ~~(11)~~(12) Concerns engaged in the sale of products and/or services of a prurient sexual nature
  - ~~(12)~~(13) Professional services, such as legal, architecture, engineering services unless a significant economic injury due to COVID-19 is documented
  - ~~(13)~~(14) Concerns that are delinquent on City property taxes or fees (unless loan proceeds will be used to remedy the delinquency)
  - ~~(14)~~(15) Concerns considered as hobbies where the business generates 30% or less of owner's annual income
- (o) Authorized loan administrators. IURA Economic Development Committee and/or locally based Community Development Financial Institutions, including Ithaca Neighborhood Housing Services, Inc. and the Alternative Federal Credit Union including delegation of loan approval subject to a written agreement.

(p) Collection Policy on Loans in Default. Given uncertainty at the time of loan issuance when and how government-mandated social distancing will relax and events in the larger economy beyond the control of a business to control caused by the COVID-19 pandemic, businesses that default, and their owner(s), will not be pursued for collection, and defaults not reported to credit agencies, if:

- The business complied with program rules regarding documented use of loan funds for eligible working capital business expenses, and
- The business remains responsive to communications and information requests from AFCU and/or the IURA through December 1, 2020 regarding the status of business operations and its ability to repay debt

(p)(q) Waivers. For the purposes of this emergency program, the following sections of the IURA Economic Development Financing Policy Guidelines and Operating Plan shall be waived, including but not limited to the following sections:

- 5.4 requiring job creation
- 6.2 requiring an application fee
- 6.3 and 6.5 requiring a full credit analysis
- 7.2 regarding borrower responsibility for all loan closing costs
- 7.4 to allow a loan advance

(p)(r) Priority projects. In the event demand for the program exceed funds available, the following priorities shall be considered when allocating limited resources:

- (1) Businesses for which their landlord or lender provides matching support (such as deferred rent or deferred loan payments) thereby leveraging the impact of the program
- (2) Ground floor storefront businesses open to the general public
- ~~(3) Businesses that were ordered closed by order of the Governor to minimize community spread of the virus~~
- ~~(4) Businesses that rely heavily on social proximity for revenues~~
- (3) Minority or Woman-owned business ownership
- (4) Businesses for whom IURA assistance will help them stay in business
- (5) Businesses that provide the owner with their primary source of income (more than 50% of monthly income from business assisted)
- (6) Businesses who continue to pay employees (other than owners) and/or provide healthcare insurance during COVID-19
- ~~(5)~~(7) Certified living wage employers
- ~~(6)~~(8) Target area: the city Density District, including the greater downtown, the west State Street corridor, the West End and the Waterfront

April 2, 2020

**Proposed 2020 amendment #1 establishing a  
COVID-19 Microenterprise Resiliency Program (see section 9.5)**

**Latest revision: 12/18/14**

# **IURA ECONOMIC DEVELOPMENT FINANCING POLICY GUIDELINES AND OPERATING PLAN**

## **SECTION 1. GENERAL**

**1.1 Policy Guidelines and Operating Plan.** The Ithaca Urban Renewal Agency (IURA), acting on behalf of the City of Ithaca, provides financial assistance for the purpose of effecting economic development activity within the City. The "*Policy Guidelines and Operating Plan*" (the "Plan") is adopted by the IURA and is intended to serve as the primary administrative document for the IURA's provision of direct financing for economic development activities, including, but not limited to the following financial assistance programs:

- (a) Community Development Revolving Loan Fund (CD-RLF) Program;
- (b) Economic Development Project Loan Program;
- (c) Cayuga Waterfront Trail Business Loan Program;
- (d) Ithaca Density District Priority Business Loan Program; and,
- (e) Micro-enterprise Revolving Loan Fund.

Any changes to the Plan must also be adopted by the IURA.

**1.2 Objectives.** The primary objectives of the IURA's provision of direct financing for economic development activities are to create employment opportunities, facilitate the expansion of business activity within the City of Ithaca, encourage micro-enterprise development, and expand the City's commercial and industrial tax base.

**1.3 Form of Assistance.** For for-profit businesses, the IURA will provide assistance only in the form of secured loans. For nonprofit businesses, the IURA may provide assistance in the form of secured loans or grants as appropriate. In all cases, the form of assistance provided must be consistent with the objectives, financial needs, public benefit, and other requirements, guidelines, and provisions of the Plan.

## **SECTION 2. ELIGIBILITY REQUIREMENTS**

## **2.1 Eligible Activities.**

- (a) The principal business activity which will be primarily impacted by the IURA financing must be located within the City of Ithaca.
- (b) The activity to be undertaken with financing from the IURA may involve any business enterprise including, but not limited to manufacturing, warehousing, retail trade, wholesale trade, contracting, real estate development and services, and micro-enterprises.
- (c) The activity to be undertaken with financing from the IURA must have a direct impact on the growth or viability of the business to be assisted.
- (f) If Federal Community Development Block Grant (CDBG) funds will be utilized for any portion of the IURA financing, then the activity to be undertaken with such financing must be eligible for assistance under the Community Development Block Grant (CDBG) program and be consistent with all applicable Federal regulations governing the CDBG program.
- (g) If CDBG funds will be utilized for any portion of the IURA financing, then the business activity to be undertaken with financing from the IURA must directly result in the creation or retention of employment positions or prevent or eliminate slum or blight consistent with the Federal regulations governing the CDBG program.

**2.2 Eligible Borrowers.** Eligible borrowers include sole proprietorships, partnerships, and corporations. Loans may also be provided to individuals acting as principals of an eligible entity and who will rent or lease assets to an otherwise eligible borrower.

**2.3 Eligible Uses of IURA Funds.** IURA funds may be used for any justifiable business purpose including, but not limited to fixed assets, current assets including inventory and accounts receivable, permanent working capital, acquisition of land and/or buildings, and for costs related to micro-enterprise start-ups. The use of IURA funds must also be eligible pursuant to the Federal regulations governing the CDBG program if CDBG funds are to be utilized for any portion of the IURA financing.

**2.3 Eligible Uses of IURA Funds.** The use of IURA funds must be eligible pursuant to the Federal regulations governing the CDBG program if CDBG funds are to be utilized for any portion of the IURA financing. CDBG funds may be used for the following activities:

- (a) Private for-profit entities: IURA funds may be used for any justifiable business purpose including, but not limited to fixed assets, current assets including inventory and accounts receivable, permanent working capital, acquisition of land and/or buildings, and for costs related to micro-enterprise start-ups.
- (b) Not-for-profit entities: IURA funds may be used for commercial or industrial improvements, including acquisition, construction, rehabilitation, or installation of commercial or industrial buildings or structures and other related real property equipment and improvements, including railroad spurs or similar extensions.

### **SECTION 3. PROGRAM STANDARDS**

**3.1 Employment/Cost Ratio.** Generally, the maximum amount of IURA financing may not exceed the ratio of \$35,000 for each employment opportunity to be created or retained. For the purposes of calculating employment opportunities, the following will apply:

- (a) Only permanent jobs will be counted; temporary and construction jobs will not be counted.
- (b) Jobs of 35 or more hours per week will be considered as one full-time job. Part-time permanent jobs of less than 35 hours per week will be converted to full-time equivalent jobs by dividing the number of part-time hours by 40.
- (c) Seasonal jobs will be considered to be permanent jobs if the duration of the working period is long enough to classify the job as the employee's principal occupation.
- (d) Projected employment must be reasonably expected to occur as a direct result of the expanded business activity, and such projection may in no instance extend beyond 36 months from the completion of the expansion.
- (e) The limit of \$35,000.00 of IURA financing per employment position may be exceeded up to level of \$50,000.00 per employment position in individual instances where the IURA determines that the expanded business activity will effect an extraordinary degree of other public benefit and the total portfolio of loans still results in an overall employment/cost ratio not exceeding \$35,000.00 per job.

**3.2 IURA Financing Amount.** Consistent with the Federal regulations governing the CDBG program, IURA financing must be no greater than the minimum amount necessary to effect the business activity. Applicants must therefore demonstrate that all other private and public sources of debt and equity have either been maximized or are inappropriate, unaffordable, or otherwise unavailable.

**3.3 Minimum Amount of IURA Financing.** Generally, IURA financing will not be considered where the loan requested is less than \$5,000.00, except in the cases involving micro-enterprises. On loans for less than \$10,000.00, the IURA may require that the applicant receive ongoing business counseling.

**3.4 Maximum Amount of IURA Financing.** The Plan does not establish a policy regarding the maximum amount of IURA financing. However, the IURA will, from time to time at its discretion, establish maximum amounts of financing based on the total amount of funds available for economic development activities and the demand for such funds.

## **SECTION 4. LENDING POLICIES**

**4.1 Term of Loans.** For fixed asset loans the IURA loan term will generally be consistent with the life of the assets being financed, with such periods being consistent with standard commercial lending policies and in no instance exceeding 15 years. For term working capital loans, the loan term may not exceed 10 years. For all loans, the term will be determined by the IURA based upon such factors as the structure of other related loans, the nature of the collateralized assets, and the borrower's projected ability to repay the loan.

**4.2 Interest Rate.** The IURA will evaluate individually each application for economic development loan assistance. The interest rate for each loan will be negotiated separately, based on the lending criteria described in this document, on the applicable HUD regulations, and on the ability of the project to support a given level of loan repayments.

**4.3 Repayment Terms.** The IURA will determine the schedule of loan repayments on a case-by-case basis based on the applicant's projected ability to repay the loan, the projected value of the collateral and other security, and the overall risk assumed by the IURA. Repayment terms may involve standard forms of loan amortization, periods of accruing interest or interest only payments, extended amortization schedules with balloon payments of principal, and/or such other terms as may be determined by the IURA to be appropriate.

**4.4 Security.** The IURA will determine the required security for each loan on a case-by-case basis based on such factors as the risk of default, the nature and value of the

security, and the position of the IURA in relation to other lenders. In determining the appropriate security, the following will apply:

- (a) The IURA will generally require a security interest in all assets financed with IURA funds. Collateralization of additional assets of the borrower may be required at the IURA's option.
- (b) For loans to corporations, the IURA may require the personal guarantee of all owners and their spouses of at least 20% of the voting stock of the company.
- (c) For loans to closely-held corporations, the IURA may require collateralization of selected personal assets of one or more of the owners.
- (d) For loans to individuals, partnerships, or corporations which have affiliated interests and/or identities of ownership with other business entities, the IURA may require additional guarantees.
- (e) For loans to businesses which have a dependence upon specific individuals for their continuing viability, the IURA may require an assignment of insurance on the lives those persons.

#### **4.5 Subordination.**

- (a) The IURA will generally allow a subordination of IURA debt and collateral to private institutional lenders where necessary to facilitate the maximum financial participation by the private lenders.
- (b) The standing of the IURA's financing relative to other public or quasi-public lenders will be negotiated on a case-by-case basis.
- (c) The IURA will generally require a subordination to IURA financing of notes payable to any officer, owner, or similarly affiliated party to the borrower where such subordination is appropriate and feasible.
- (d) The IURA will generally require the execution of intercreditor agreements in instances where multiple lenders exist. The use and form of such agreements shall be the responsibility of the IURA Attorney.

## **SECTION 5. MICRO-ENTERPRISES**

**5.1 Definition of Micro-enterprises.** The IURA defines a micro-enterprise as any business employing five or fewer people, including the owner(s), measured by full time equivalents. For lending purposes, the definition applies at the time of the submission of a complete application for funding, and is not meant to discourage a micro-enterprise from expanding employment during the term of the loan.

**5.2 Regulations for Micro-enterprise Lending.** The IURA recognizes the importance of micro-enterprises as a source of new employment in the local economy. U.S. Department of Housing and Urban Development regulations treat micro-enterprises in a less restrictive manner than other economic development activities. The IURA's policy will be to use the relevant HUD regulations for micro-enterprise development.

### **5.3 Micro-enterprise Revolving Loan Fund.**

(a). The IURA will administer a separate "Micro-enterprise Revolving Loan Fund" for micro-enterprise lending. Funds used to capitalize the Micro-enterprise Revolving Loan Fund will be accounted for separately from other IURA revolving loan funds.

(b). The IURA's designated review committee will be responsible for overseeing the Micro-enterprise Revolving Loan Fund, including making recommendations to the IURA regarding policies governing implementation of the fund.

(c). Each Micro-enterprise Revolving Loan Fund application will be evaluated based on the information detailed in Section 6.3. The IURA understands that many micro-enterprises will have limited financial and other data available. The IURA's designated review committee may, at its discretion, waive the requirement for certain application information.

(d). The IURA's designated review committee, in reviewing Micro-enterprise Revolving Loan Fund applications, may grant waivers or establish conditions in specific underwriting criteria on a loan-by-loan basis. The purpose of the waivers and conditions is to provide flexibility in meeting the needs of micro-enterprise entrepreneurs. Underwriting criteria, however, must be within accordance with HUD regulations and the Agency must be clearly informed of the waivers granted or conditions established.

### **5.4 Job Creation**

Micro-enterprises assisted through the Micro-enterprise Revolving Loan Fund must meet the job creation requirements outlined in Section 3.1 of this Plan. Under HUD regulations, 51% of jobs created must employ individuals from households meeting HUD's income guidelines for low and moderate incomes. However, if the owner(s) of the micro-enterprise meets HUD's guidelines for low and moderate incomes, the low

and moderate job creation requirement will be deemed to have been met. For micro-enterprises meeting the criteria of 51% low and moderate job creation, the loan agreement will specify this requirement as a condition of the loan.

## **SECTION 6. APPLICATION PROCESSING**

**6.1 Loan Applications.** Applications for IURA financing must include all of the information required by the IURA Application Form (attached hereto as Exhibit A), and any additional information as may be reasonably requested by the IURA.

**6.2 Application Fee.** There is a \$50.00 non-refundable application fee which must be submitted with the application. The intent of the fee is to partially defray processing costs. For micro-enterprises, the IURA may reduce or waive the amount of the fee at the discretion of the IURA's Review Committee. The applicant will be responsible for all costs associated with third party expenses such as credit bureau reports and other related expenses.

For approved loan applications, a commitment fee, based on a fee schedule adopted by the IURA, must be submitted with the return of the applicant's signature on the IURA commitment letter.

**6.3 Application Processing.** The processing of loan applications will be the responsibility of the IURA's Director of Community Development and will generally consist of the following:

- (a) Review of applications for completeness and procurement of appropriate additional information.
- (b) Review for IURA program eligibility criteria and, if applicable, eligibility pursuant to Federal CDBG regulations.
- (c) Determine economic feasibility, perform credit analysis, and assess risk.
- (d) Review of specific employment opportunities projected to be created or retained, including information on whether employer-paid or subsidized, health care benefits will be provided, and whether "living wages," as defined by the City of Ithaca (see Exhibit E), will be paid to full-time employment positions to be created.
- (e) Determine amount and terms of IURA financing, including appropriate security.

- (f) If applicable, perform appropriateness review in conformance with HUD guidelines.
- (g) Prepare written report to the IURA Loan Committee summarizing the review process and providing recommendations as appropriate.

**6.4 Economic Development Committee.** The IURA has established an Economic Development Committee to review loan applications and to make recommendations. No loan application may be presented to the IURA for action without a review and recommendation(s) by the Economic Development Committee. The Loan Review Committee will also be responsible for reviewing and making recommendations to the IURA as appropriate regarding loan portfolio management issues (see Section 8). Members of the Economic Development Committee shall be appointed by the Mayor and shall serve at the pleasure of the Mayor.

**6.5 Loan Review.** Each loan application will be evaluated based upon the information detailed in Section 6.3. In addition, the Economic Development Committee, or any IURA designated review committee, and the IURA will consider the following criteria:

- (a) Number of jobs created;
- (b) Quality of the jobs created (including full/part-time status of jobs created and opportunities for promotion);
- (c) CDBG funds per job created;
- (d) Funding commitments from other sources;
- (e) Public benefit;
- (f) Impact on tax base;
- (g) Neighborhood impact;
- (h) Whether the compensation package (including wages and benefits) offered to new full-time employment positions is competitive within the regional labor market for the peer industry sector; and addresses the City's "living wage" policy (attached hereto as Exhibit E);
- (i) Owner equity contribution;
- (j) Amount of private funds leveraged;
- (k) Level of commitment to hire local youth, minorities and other groups with elevated unemployment rates; and,
- (l) Consistency with City of Ithaca and IURA plans and policies.

**6.6 Loan Approval.** The IURA shall have sole authority to approve IURA loans, except in instances where the IURA has delegated such authority or where local law, rules, regulations, policies, or similar authorities require additional approval by the City of Ithaca. The IURA's authority shall include the commitment to lend IURA funds, the interest rate(s) to be charged, the repayment terms, and the requisite security for the loan. The application of other appropriate conditions of lending and covenants of the

borrower shall be the responsibility of the IURA Attorney with input from IURA staff and the Economic Development Committee.

### **6.7 Loan Disapproval.**

- (a) Loan applications may be disapproved by the IURA's Director of Community Development based on a lack of application completeness or a failure to meet the eligibility criteria pursuant to Sections 6.3(a) and 6.3(b) of this Plan respectively. In such instances, the applicant will be notified in writing of the reason(s) for disapproval.
- (b) Loan applications may be disapproved at the direction of the Economic Development Committee if the Committee determines that IURA financing is clearly inappropriate based on the reviews conducted in accordance with Sections 6.3(c), 6.3(d) and 6.3(f) of this Plan. In such instances, the applicant will be notified in writing of the reason(s) for disapproval.
- (c) Loan applications may be disapproved by the IURA for any reason or reasons which represent a reasonable determination that the approval of the IURA application would not meet the objectives of the IURA program and/or would not represent an appropriate or prudent use of IURA funds. In such instances, the applicant will be notified in writing of the reason(s) for disapproval.

## **SECTION 7. POST-APPROVAL PROCESS**

**7.1 Commitment Letter.** Within ten calendar days from the date of the IURA's approval of an IURA loan (or from the City's approval if applicable), a commitment letter shall be sent to the applicant which includes, at a minimum, the information listed below (see sample at Exhibit B). The applicant will have 10 calendar days within receipt of the commitment letter to sign and return the letter to the IURA.

- (a) The amount of the loan approved, the applicable interest rate, the term of the loan, the terms of repayment, and the expiration date of the commitment.
- (b) The required use of the loan funds.
- (c) The IURA's requirements for collateral and additional security - including guarantees, pledges of assets, assignment of life insurance, etc.
- (d) Summary information regarding employment requirements.

- (e) Any other conditions of lending.
- (f) A listing and explanation of any fees to be charged and other closing costs which will be the responsibility of the borrower.
- (g) A listing of those conditions and requirements of the borrower which must be fulfilled precedent to a loan closing.
- (h) Any other information which could reasonably be expected to influence the borrower's decision to accept the terms of the loan commitment.

**7.2 Loan Closings.** The IURA Attorney shall have the responsibility to prepare and/or require the preparation of all appropriate closing documents. IURA staff will prepare the draft legal documents. The borrower shall be required to pay all closing costs incurred by the IURA. The IURA Attorney shall determine the appropriate closing documents to be executed based upon the terms and conditions of the loan approval and standard commercial lending policies. Such documents shall generally include the following:

- (a) A loan agreement which includes a description of the loan terms and security, appropriate representations and warranties, the conditions of lending, affirmative and negative covenants - including compliance with applicable federal laws and regulations, requirements regarding employment creation and reporting, default provisions, and any other provisions which may be appropriate.
- (b) A note or notes to evidence the indebtedness and the terms of repayment.
- (c) The appropriate documents to evidence and record mortgages, liens, guarantees, and such other security as may be required by the terms of the loan.
- (d) Other appropriate documents as determined by the IURA Attorney.

**7.3 Security.** The IURA Attorney will be responsible for perfecting all of the IURA's security interests including, where appropriate, the execution of security agreements, the filing of financing statements, the execution and filing of mortgage documents, the execution of guarantees, and any other appropriate actions to adequately protect the IURA's security interests. Inter-creditor agreements should be executed where appropriate to further protect the IURA's interests and to facilitate the processing of defaults and foreclosures.

**7.4 Loan Disbursements.** The disbursement of loan proceeds shall be the responsibility of the Director of Community Development. For such disbursement, the following guidelines shall generally apply:

- (a) Subject to the borrower's compliance with the terms and conditions of the loan agreement, all documents evidencing and securing the loan, and other guidelines for disbursement as described in this Section 7.4, the IURA may disburse loan proceeds upon the borrower's presentation of vouchers and other such evidence satisfactory to the IURA which represent paid or accrued expenses of the borrower and which are eligible costs as determined by the IURA.
- (b) Where other debt or equity financing is to be used in conjunction with the IURA financing, such debt or equity must, in the opinion of the Director of Community Development, be firmly committed for such use. Evidence of the commitment(s) must be submitted by the borrower.
- (c) Where other debt or equity financing is to be used in conjunction with the IURA financing, the IURA will, at its discretion, determine an appropriate draw schedule for IURA funding. The manner and terms of the disbursement of the IURA financing should normally be included in the approval of the financing by the IURA. However, in instances where the IURA has not prescribed a draw schedule, the Loan Review Committee may approve a draw schedule.

## **SECTION 8. LOAN MANAGEMENT**

**8.1 Loan Service.** A loan servicing agency will provide administration and servicing of loans. Duties executed by the agency will include all collection, remittance, accounting, loan debtor's failure to perform, delinquencies, collection and foreclosures.

**8.2 Delinquencies.** The loan servicing agency for the IURA will contact the borrower within 14 days of any delinquency of payment to inform the borrower of the delinquency and to determine if there is a need to procure additional information or to provide technical assistance. Delinquencies which continue for 90 days will be referred to the IURA Attorney for further action.

**8.3 Annual Financial Review.** The Director of Community Development will conduct an annual financial review for all borrowers based primarily on the annual financial statements submitted by the borrower. The Director of Community Development also may request quarterly financial statements or any other information as appropriate.

The reviews will be presented to the Loan Review Committee for further action or recommendations as appropriate.

**8.4 Adjustment of Terms and Conditions.** Requests by the borrower for adjustment of any of the terms and conditions of the loan will be reviewed by the Director of Community Development to determine whether the adjustment is in the best interests of the IURA. Requests will be processed in accordance with the following:

- (a) Requests to adjust the interest rate, term of the loan, or security for the loan will be reviewed by the Director of Community Development, presented to the Loan Review Committee for review and recommendations, and presented to the IURA for action. Any such adjustments will require approval of the IURA.
- (b) Requests to accrue interest or to pay interest only may be approved by the Director of Community Development for a period not to exceed 60 days. The Loan Review Committee will have the authority to extend such a period to 180 days. Extensions for any longer period will require the approval of the IURA.
- (c) Requests for changes respecting any covenants or conditions of a financial nature must be approved by the Loan Review Committee as to content and the IURA Attorney as to form.
- (d) Requests for any other changes to the covenants or conditions of the loan including, but not limited to such areas as reporting requirements, cost documentation, and maintenance of records may be approved by the Director of Community Development or referred to the Loan Review Committee at the Director's discretion.

## **SECTION 9. SPECIFIC PROGRAM ELIGIBILITY REQUIREMENTS, STANDARDS AND LENDING POLICIES FOR INDIVIDUAL PROGRAMS**

### **9.1 Community Development Revolving Loan Fund (CD-RLF).**

- (a) Maximum Amount of Financing. \$100,000.00 for a retail business; \$150,000.00 for non-retail business for expansion, startup or job retention resulting in the creation of multiple jobs, particularly jobs which will provide for higher wages, benefits and training, and which will lead to the diversification of Ithaca's economic base. The above listed maximum amount of financing may be exceeded in instances where the IURA determines that the expanded business activity will likely result in an extraordinary degree of public benefit.

(b) Ineligible Activities. Financial assistance shall not be undertaken to an “adult entertainment establishment,” as defined by City of Ithaca municipal code, or any business that derives more than 35% of revenues from the sale of alcoholic beverage to consumers. Furthermore, financial assistance to restaurants, nightclubs, bars and similar businesses are not eligible activities to be undertaken with financing unless such activity scores at least 100 points on the “CD-RLF Worksheet for Determining Eligibility for Restaurants” as determined by the IURA (see Exhibit D – CD-RLF – Loan Eligibility Policy for Restaurants and Similar Businesses).

(c) CDBG National Objective. Assisted activities must meet at least one of the following national objectives of the CDBG program:

- (1) Benefit low- and moderate-income persons, or
- (2) Prevent or eliminate slums or blight. Assisted activities benefiting low- and moderate-income persons include, but are not limited to, the creation or retention of at least one employment opportunity meeting the requirements outlined in Section 3.1 of the Plan. Assisted activities preventing or eliminating slums or blight must document that the assisted activity will result in the elimination or prevention of slums or blight and, if addressing slum/blight on a spot basis, that the assisted activity was limited to addressing specific condition(s) that posed a public health and safety threat to the public in general, including but not limited to remediating brownfield conditions.

(d) High-tech businesses. The start-up and growth of high-tech businesses leveraging Cornell University research and other innovative technologies will diversify and strengthen the local economy and create skilled production employment positions with the potential for significant additional job growth, but traditional loan underwriting does not satisfactorily analyze risk and reward of early stage high-tech businesses. Due to the unique characteristics and opportunities of pre-revenue high-tech businesses, the following special guidelines shall apply to early stage high-tech business loan applications:

- (1) Term: not to exceed 5 years
- (2) Interest Rate: transaction specific depending on risk, may range up to 10%, plus warrants
- (3) Match Funding: a minimum 3:1 match of equity investments from other qualified, professional investors in the business
- (4) Security/Collateral: Transaction specific, no minimum loan-to-value standard is required. Personal guarantees may be sought when appropriate.
- (5) Living Wage: Required for all full-time jobs created as result of the loan

- (6) Portfolio Risk: Loan balances to early-stage high-tech businesses shall not exceed 25% of the IURA's CDBG loan portfolio
- (7) Other Underwriting Considerations:
  - Applicant's past record of obtaining early stage financing, including competitive federal and state funding.
  - Linkage to Cornell University research and resources.
  - Strategy for retaining economic benefits in the City of Ithaca in the event the company is relocated by private investors.
  - Stage of development for commercializing technology is appropriate for debt financing: prototyping, product development, pilot production, full volume production.

## **9.2 Economic Development Project Loan (EDPL) Program**

- (a) Objective. The fund seeks to create a flexible and responsive financing tool, working in conjunction with other City planning and economic development initiatives, to provide secured loans to facilitate the expansion of business activity within the inner city core business areas of the City of Ithaca resulting in the creation of at least 12 employment opportunities and leveraging at least \$550,000.00 of new private investment. The target area includes the Downtown Central Business District, the West State Street corridor, the West End, and Inlet Island.
- (b) Eligibility. The loan applicant must own or lease property located within the Economic Development Project Loan Fund (EDPL) Target Area (see Exhibit F) where the business activity to be financed will occur. The EDPL target area boundary is co-terminus with the City of Ithaca adopted Density Abatement Zone, which was established to identify to the Tompkins County Industrial Development Agency (IDA) the appropriate areas of the City to grant real property tax abatements for new investments.
- (c) Eligible Uses of EDPL funds. Uses of funds shall comply with policies established in Section 2 of the Plan.
- (d) Job Creation. Assisted activities must result in the creation or retention of employment opportunities meeting the requirements outlined in Section 3 of the Plan. At least 51% of the jobs created as a result of CDBG financial assistance must be held by, or made available to, low- and moderate-income persons.
- (e) Minimum Amount of Loan Financing: \$40,000.00.

- (f) Maximum Amount of Loan Financing: none.
- (g) Interest Rate: Generally, approximately 75% of the prime rate published in the Wall Street Journal, except where the IURA determines risk or extraordinary degree of public benefit of the financed activity warrants a different interest rate.
- (h) Program Income. Loan repayments received shall be deposited in the Community Development Revolving Loan Fund to provide loan financing to assist small businesses throughout the City.

### **9.3 Cayuga Waterfront Trail Business Loan Program**

- (a) Objective. Induce businesses and property owners along the Cayuga Waterfront Trail corridor to undertake economic development projects that create jobs and address deteriorated, unsightly, or underutilized areas controlled by multiple property owners to result in an enhanced experience by trail users and better realize the business potential from proximity to the trail.
- (b) Eligible Borrowers. The loan applicant must own or lease property in the target area where the business activity to be financed will occur.
- (c) Eligible Projects. All projects must include a significant site improvement component, which is environmentally friendly, and demonstrate collaboration with adjoining businesses and/or property owners to jointly address a common problem.
- (d) Eligible Uses of Loan Funds. Funds may be used for any justifiable business purpose, including, but not limited to fixed assets, site improvements, current assets including inventory and accounts receivable, permanent working capital, acquisition of land and/or buildings, and costs related to business start-up. Project must include a significant site improvement component.
- (e) Target Area. Areas adjacent to or in close proximity to the Cayuga Waterfront Trail within the City of Ithaca. Parcels located within 100 feet of the Cayuga Waterfront Trail shall be considered to be located within the target area.
- (f) Job Creation. At least one FTE job for every \$35,000 of loan assistance.

- (g) CDBG national objective test. Low/mod jobs benefit - 51% of all jobs created must be held by, or made available to, LMI persons.
- (h) Maximum Amount of Financing. \$50,000, not to exceed 50% of project cost.
- (i) Term. 5 years.
- (j) Interest Rate. 0%
- (k) Repayment. Repayment due after 5 years, however no repayment required subject to project completion and satisfaction of job creation objective. The principal balance shall decrease by 20% on the anniversary of disbursement of loan funds and shall be fully forgiven after 5 years.
- (l) Security/Collateral. For an operating business, a lien on business assets, or other satisfactory collateral. For a landlord, a subordinate mortgage lien on the project property, or other satisfactory collateral, and be it further.

#### **9.4 Ithaca Density District Priority Business Loan Program**

- (a) Objective. Induce the creation and start-up and expansion of specific priority business enterprises that have been defined by the community as highly desirable and/or enterprises that substantially increase foot traffic thereby strengthening the real estate market in the Density District to support businesses that provide daily goods and services to local residents. The program intends to meet this objective through direct financing to businesses with the understanding that attracting such business enterprises is likely to require stronger incentives than are available from other private or public sources and are likely to involve higher than normal risk and flexible lending policies to accomplish its objective.
- (b) Eligible Borrowers. Both for-profit and nonprofit entities legally established to conduct business in New York State.
- (c) Eligible Projects. The IURA has identified the following list of priority businesses desired in the density district:
  - pharmacy;
  - family shoe store;

- family apparel retail;
- groceries;
- unrepresented restaurants;
- under-represented medical practitioners, such as family medicine, general internal medicine, pediatrics and/or adolescent medicine offices, obstetrician/gynecologist; geriatrician and alternative medical practitioners;
- business owned and operated by underrepresented groups, including a minority-owned business;
- tourist attractions (Wine Center, Museum Store);
- brewpub;
- live entertainment venues (jazz, comedy, performing arts);
- businesses that primarily provide essential goods and services, such as evening drop-in childcare, that will be readily available in the greater downtown neighborhood; and
- any other business that directly supports a Common Council-endorsed strategic plan that is targeted for, or includes, the density district, and enhances the urban core, as determined by the IURA.

Only projects that qualify under the above list are eligible for this loan program.

- (c) Eligible Uses of Loan Funds. Funds may be used for any justifiable business purpose including, but not limited to, fixed assets, current assets including inventory and accounts receivable, permanent working capital, acquisition of land and/or buildings, and for costs related to micro-enterprise start-ups.
- (d) Use of funds by nonprofit borrowers is limited to commercial or industrial improvements, including acquisition, construction, rehabilitation, reconstruction, or installation of commercial or industrial buildings or structures and other related real property equipment and improvements (Note: working capital and inventory uses are not eligible).
- (e) Target Area. Projects must be located within the “Density District” within the City of Ithaca (see Exhibit G), or any successor area within the City of Ithaca eligible for temporary tax abatement assistance through the Tompkins County Industrial Development Agency.

- (f) Job Creation. At least one FTE job for every \$35,000.00 of loan assistance.
- (g) CDBG National Objective Test. Either low/mod jobs benefit - 51% of all jobs created must be held by, or made available to, LMI persons, or a neighborhood business serving a predominantly LMI neighborhood.
- (h) Maximum Amount of Financing. \$250,000.00, not to exceed 60% of project cost, nor more than the minimum amount necessary to effect the business activity after maximizing other private and public sources of debt and equity or finding that such other sources are inappropriate, unaffordable, or otherwise unavailable.
- (i) Term. Not to exceed 10 years, unless secured with real property.
- (j) Interest Rate. Transaction specific depending on need and risk, may range from 0% to the 10-year US Treasury rate.
- (k) Repayment. Repayment terms shall be transaction specific. Projects shall be underwritten to fully repay the IURA loan.
- (l) Security/Collateral. Collateral to secure the loan shall be transaction specific; no minimum loan-to-value standard is required and security may be limited to a first or second lien position on inventory and furnishings, fixtures and equipment or other satisfactory collateral.

## **9.5 COVID-19 Microenterprise Resiliency Program**

- (a) Objective. Provide short-term working capital assistance as emergency relief to existing for-profit microenterprises economically injured by the COVID-19 pandemic to help retain their economic viability and - if closed due to government order, mandated social distancing, or disruptions in the supply or distribution chain - to re-open for business when social distancing mandates are relaxed.
- (b) Eligible Borrowers. For-profit microenterprises owned by a Low/Moderate Income (LMI) person (earning 80% or less of the Area Median Income adjusted for family size) that were in operation with a tangible physical presence on February 15, 2020. A microenterprise is defined as a business employing five or fewer employees, one or more of whom owns the business.

- (c) Geographic Eligibility. City of Ithaca
- (d) Maximum Loan: \$5,000
- (e) Disbursement: Advance payment of up to \$5,000 upon loan approval
- (f) Loan Term: 18 months
- (g) Interest Rate: 0%
- (h) Repayment. No loan payments are due for 6 months, then level monthly payments are due on the unforgiven portion of the principal balance to amortize the outstanding principal balance over 12 months
- (i) Forgiveness. The portion of loan proceeds (up to 100%) used for documented eligible uses is forgiven if the microenterprise is in operation with a tangible physical presence in the City of Ithaca on either December 1, 2020 or 6 months after issuance of the loan.
- (j) Security. Personal financial guarantee of all owners with a 20% or greater ownership position
- (k) Collateral. No pledged collateral required.
- (l) Eligible Uses of Loan Funds. Funds may be used for the following operating expenses:
  - (1) Wages and salaries of employees
  - (2) Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave
  - (3) Fixed debts, including mortgage (excluding any prepayment)
  - (4) Rent
  - (5) Utilities
  - (6) business debt obligations that were incurred before February 15, 2020
  - (7) Accounts payable
  - (8) Inventory
  - (9) Supplies
  - (10) Other necessary and reasonable expenses as specifically approved by the lender, or lender's authorized agent.
- (m) Job Creation. No job creation required.
- (n) CDBG National Objective Test. Low/mod status of microenterprise owner.

- (o) Ineligible Borrowers. The following applicants are not eligible for assistance through this program:
- (1) Gambling concerns
  - (2) Lending or investment concerns
  - (3) Multi-level sales distribution(pyramid) concerns
  - (4) Loan packagers
  - (5) Pawn shops
  - (6) Real estate developers and brokers
  - (7) Landlords
  - (8) Insurance concerns
  - (9) Concerns that derive 70% or more of gross receipts from sale of alcoholic beverage
  - (10) Concerns engaged in illegal activities
  - (11) Concerns engaged in the sale of products and/or services of a prurient sexual nature
  - (12) Professional services, such as legal, architecture, engineering services unless a significant economic injury due to COVID-19 is documented
  - (13) Concerns that are delinquent on City property taxes or fees (unless loan proceeds will be used to remedy the delinquency)
  - (14) Concerns considered as hobbies
- (o) Authorized loan administrators. IURA Economic Development Committee and/or locally-based Community Development Financial Institutions, including Ithaca Neighborhood Housing Services, Inc. and the Alternative Federal Credit Union including delegation of loan approval subject to a written agreement.
- (p) Waivers. For the purposes of this emergency program, the following sections of the IURA Economic Development Financing Policy Guidelines and Operating Plan shall be waived, including but not limited to the following sections:
- 5.4 requiring job creation
  - 6.2 requiring an application fee
  - 6.3 and 6.5 requiring a full credit analysis
  - 7.2 regarding borrower responsibility for all loan closing costs
  - 7.4 to allow a loan advance
- (q) Priority projects. In the event demand for the program exceed funds available, the following priorities shall be considered when allocating limited resources:
- (1) Businesses for which their landlord or lender provides matching support (such as deferred rent or deferred loan payments) thereby leveraging the impact of the program

- (2) Ground floor storefront businesses open to the general public
- (3) Businesses that were ordered closed by order of the Governor
- (4) Businesses that rely on social proximity for revenues
- (5) Minority or Woman-owned business ownership
- (6) Target area: the city Density District, including the greater downtown, west State Street corridor and the West End

END

## **List of Exhibits**

Exhibit A – IURA Application Form (referenced in Section 6.1)

Exhibit B – Sample Loan Commitment Letter (referenced in Section 7.1)

Exhibit C – Business Improvement District Map (referenced in Section 9.2)

Exhibit D – CD-RLF, Loan Eligibility Policy for Restaurants and Similar Businesses  
(referenced in Section 9.1)

Exhibit E – City of Ithaca Living Wage Policy (referenced in Sections 6.3 and 6.5)

Exhibit F – Economic Development Project Loan Fund Target Area Map (referenced  
in Section 9.2)

Exhibit G - Ithaca Density District Priority Business Loan Fund Target Area Map  
(referenced in Section 9.4)

## COVID-19 Small Business Resiliency Fund

### Forgivable Micro-Loans to Support Small Businesses in Tompkins County Impacted by COVID-19

The Tompkins County/City of Ithaca COVID-19 Small Business Resiliency Fund (SBRF) will provide forgivable loans in the amount of up to \$5,000 for working capital to microenterprises and small businesses experiencing hardship related to the COVID-19 pandemic. Loans will carry a zero-interest rate, an 18-month term and be forgiven for businesses open and in operation on December 1, 2020 that have complied with the program rules.

The goal of the fund is to provide emergency relief to help business owners retain their businesses and their employees as a bridge of support before additional state and federal resources become available and mandated social distancing is relaxed.

The SBRF is a result of a collaboration of local economic development agencies and community partners who devised the fund and pledged \$290,000 to capitalize this fund. Local partners include the Tompkins County Development Corporation (TCDC), Ithaca Urban Renewal Agency (IURA), Tompkins County Area Development (TCAD), City of Ithaca Office of Economic Development, Tompkins Chamber, Downtown Ithaca Alliance (DIA), and the Tompkins County Workforce Investment Board (TCWIB).

Alternatives Federal Credit Union (AFCU) will manage the intake and application process and disburse approved loans within 3 days of execution of agreements. A loan review committee comprised of local economic development professionals and program partners will review applications for eligibility and select applications that best meet program criteria and priorities.

#### Loan Funds

Loans will be funded as follows:

- \$145,500 for small businesses with 25 or fewer employees located in Tompkins County
- \$135,800 for microenterprises, owned by low- and moderate-income persons, located within the City of Ithaca

#### Uses of Loan Funds

Funds may be used for the following operating expenses of the business:

- Wages and salaries of employees
- Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave
- Fixed debts, including mortgage (excluding any prepayment)
- Rent
- Utilities
- Business debt obligations that were incurred before February 15, 2020
- Accounts payable
- Inventory
- Supplies
- Other necessary and reasonable expenses as specifically approved by the lender.

## Loan Terms/Forgiveness

- Interest Rate: 0%
- Term: 18 months
- Repayment: All loan payments are deferred for 6 months, then level monthly payments are due on the unforgiven portion of the principal balance to amortize the outstanding principal balance over 12 months.
- Forgiveness: The portion of loan proceeds (up to 100%) used for documented eligible working capital uses is forgiven if the business is in operation with a tangible physical presence on either December 1, 2020 or 6 months after issuance of the loan.

## Collateral/Security

- No pledge of collateral is required
- Personal financial guarantee(s) of the owner(s) is required for all loans

## Loan Disbursement

Up to \$5,000 will be disbursed within three days of loan closing for reimbursement of eligible business working capital expenses incurred since March 7, 2020. Alternatively, up to a \$2,500 advance will be disbursed within three days of loan closing to pay working capital expenses. Future disbursements will be made upon documentation that the initial advance was used for working capital expenses of the business.

## Time Line/Selection Process

Applications will be reviewed in on a rolling basis in batches until funds are exhausted:

- Applications accepted starting: April 14, 2020
- Initial weekly loan approvals: by April 21, 2020 or sooner
- Initial loan closings: by April 25, 2020

## Eligibility Requirements

- Principal place of business must be located within Tompkins County
- Business must have been in operation on or prior to February 15, 2020
- Business must have 25 or fewer employees. A sole proprietor counts as one employee.
- Business must have \$2.5 million or less in annual gross revenues
- Business must meet *one of the following*:
  - Business is public-facing (e.g. retail, coffee shop, food service) and is directly impacted by new public health requirements related to the COVID-19 pandemic.
  - Business has experienced 25% or more decline in revenues since March 1, 2020 due to the COVID-19 pandemic.

## Ineligible businesses

- Non-profit organizations
- Gambling concerns
- Lending or investment concerns
- Multi-level sales distribution(pyramid) concerns
- Loan packagers
- Pawn shops
- Real estate developers and brokers

- Landlords
- Insurance concerns
- Concerns that derive 70% or more of gross receipts from sale of alcoholic beverage
- Concerns that derive 70% or more of gross receipts from sale of nicotine products and accessories
- Concerns engaged in illegal activities
- Concerns engaged in the sale of products and/or services of a prurient nature
- Professional services, such as legal, architecture, engineering services unless a significant economic injury due to COVID-19 is documented
- Concerns that are delinquent on City property taxes or fees (unless loan proceeds will be used to remedy the delinquency) or state sales taxes
- Concerns considered as hobbies where the business generates 30% or less of the owner's income

### Loan Priorities

- Ground floor storefront businesses open to the general public
- Businesses located on "Main Street" and in established commercial districts
- Businesses for which their landlord or lender provides matching support (such as deferred rent or loan payments), thereby leveraging the impact of the program
- Businesses owned by persons of color and/or women
- Businesses for whom resources will help them stay in business
- For Businesses with five or fewer employees, business provides owner with their primary source of income
- Businesses who pay employees and/or healthcare insurance during the COVID-19 pandemic
- Certified living wage employers

### Information required

For a complete application, submit the following information:

- Complete SBRF questionnaire
- Complete SBRF loan application
- 2019 financial statements (profit/loss statement and balance sheet)
- 2020 financial statements YTD and for month of March
- 2019 tax returns
- If business is a corporation or partnership, provide a copy of organizational documents
  - If a partnership: partnership papers
  - If a corporation: certificate of incorporation and shareholder agreement
  - If an LLC: articles of organization and operating agreement
- Owner's self-certifying income and demographics form
- A Personal Financial Statement from each principal of the business (SBA form 413 or similar)
- Owner's affidavit declaring (1) intention for business to remain operating or re-open following relaxation of mandated social distancing, and (2) that loan funds will be used exclusively for eligible working capital expenses of the business.

### How to Apply

1. Visit <https://www.cityofithaca.org/658/COVID-19>
2. Download and complete required materials (see above and application form checklist)
3. Email a copy of the completed forms and required application materials as a single .pdf to: [businessloans@alternatives.org](mailto:businessloans@alternatives.org)

## Draft Press Release

### COVID-19 Small Business Resiliency Fund Forgivable Micro-Loans to Support Small Businesses in Tompkins County Impacted by COVID-19

On behalf of a group of local economic development agencies, Alternatives Federal Credit Union (AFCU) is offering emergency short-term working capital assistance to micro-enterprises and small businesses economically injured by the COVID-19 pandemic. Current funders include the Ithaca Urban Renewal Agency (IURA) and Tompkins County Development Corporation (TCDC); other partners include the City of Ithaca, Tompkins County Area Development (TCAD), Tompkins Chamber, and Downtown Ithaca Alliance (DIA).

The Small Business Resiliency Fund will provide zero-interest, 18-month forgivable loans to bricks and mortar small businesses (25 employees or less) with a maximum of \$5,000 available to support operations and employment. Loans are to be forgiven at the six month mark if the business re-opens.

The loan will be for working capital to:

- Minimize staff reductions
- Allow business operations to continue
- Offset losses related to the Coronavirus COVID-19

Loan terms:

- Maximum amount offered is \$5,000.
- Interest rate is 0.0%.
- Payments are deferred for six months, then if not forgiven, level monthly payments are due on the unforgiven portion of the principal balance to amortize the outstanding principal balance over 12 months.
- The loan is forgiven if the small business is in operation with a tangible physical presence in Tompkins County on either December 1, 2020 or 6 months after issuance of the loan.
- A personal financial guarantee is required.
- No collateral is required.

Eligible Borrowers:

- Legally recognized forms of business, including sole proprietorships, partnerships, corporations, limited liability companies, limited liability partnerships, professional service corporations, not-for-profit corporations, and cooperatives.
- Business must be located in Tompkins County, must provide evidence of loss in revenue or cash flow within the last 60 days, and must be currently operating, even if only remotely.
- At least one and no more than 25 FTEs.
- Less than \$2,500,000 in gross receipts.
- Intention to re-open if temporarily closed during the COVID-19 crisis.

Eligible Loan Uses Include:

- Wages and salaries of employees
- Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave

- Fixed debts, including mortgage (excluding any prepayment)
- Rent
- Utilities
- Business debt obligations that were incurred before February 15, 2020
- Accounts payable
- Inventory
- Supplies
- Other necessary and reasonable expenses as specifically approved by the lender, or lender's authorized agent.

There is no cost to apply. There are no closing costs and no filing fees.

This fund combines funding from two separate sources. Each source has different eligibility requirements. The IURA funds will support micro-enterprises of five or fewer employees in the Density District within the City of Ithaca where the owner is a low-moderate income person (making 80% or less of Area Median Income). The TCDC funds will be used to support small businesses of up to 25 employees in Tompkins County (including within the City of Ithaca). There is no owner income restriction for the TCDC funded loans.

Loans will be available until funds are committed or until October 1, 2020.

For further information and to request an application, please contact Alternatives Federal Credit Union.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

April 2, 2020

The Honorable Svante Myrick  
Mayor of Ithaca  
108 E Green Street  
City Hall 4th Floor  
Ithaca, NY 14850-5614

Dear Mayor Myrick:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department is immediately allocating \$2 billion based on the fiscal year 2020 CDBG formula. The remaining \$3 billion shall be allocated based on needs using best available data, in the following tranches: \$1 billion shall be allocated to States and insular areas within 45 days of enactment of the CARES Act, and \$2 billion shall be distributed to states and local governments at the discretion of the Secretary. Up to \$10 million will be set aside for technical assistance. Given the immediate needs faced by our communities, the Department has announced the first allocation of funds. Your jurisdiction's allocation is \$401,624.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the Secretary to grant waivers and alternative requirements of statutes and regulations the Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The Department is developing a notice that will further describe the CARES Act's provisions, a Quick Guide to the CARES Act flexibilities and other provisions, and other resources

to enable swift implementation of CDBG-CV grants. As these become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and requirements that each grantee have adequate procedures to prevent the duplication of benefits. HUD will provide guidance and technical assistance on DOB and regarding prevention of fraud, waste, and abuse and documenting the impact of this program for beneficiaries.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John Gibbs", written in a cursive style.

John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development

# IURA Grants Summary

February 2020

#	ON SCHEDULE	HUD ENTITLEMENT ACTIVITIES	SPONSOR	BUDGET	TOTAL UNEXPENDED	% SPENT
<b>2017 HOME Activities</b>						
2767	canceled	3.0 402 South Cayuga Street <sup>17</sup>	Habitat for Humanity	80,000.00	0.00	100%
2768	complete	4.0 Housing Scholarship Program <sup>11</sup>	The Learning Web	63,980.10	0.00	100%
2769	complete	5.0 Security Deposit Assistance	Catholic Charities	42,750.00	0.00	100%
2770	complete	21.0 828 Hector Street (CHDO) <sup>23</sup>	INHS	41,378.00	0.00	100%
2771	complete	20.0 HOME Admin	IURA	27,565.10	0.00	100%
2807	complete	Unallocated 2017 HOME <sup>12, 17, 23, 24</sup>	N/A	19,977.80	0.00	N/A
	complete	Home Admin (PI) <sup>22</sup>	N/A	0.00	0.00	100%
	ok	Recaptured Funds (HP) <sup>15</sup>	N/A	0.00	3,808.14	N/A
	ok	Unanticipated Program Income (PI) <sup>8</sup>	N/A	0.00	21,545.00	N/A
<b>Total</b>				<b>275,651.00</b>	<b>25,353.14</b>	<b>89%</b>
<b>2018 CDBG Activities</b>						
6002	<b>NO</b>	1.0 Neighbor to Neighbor Home Rehab	Love Knows No Bounds	40,000.00	40,000.00	0%
6003	complete	2.0 Chartwell House	Tompkins Community Action	75,000.00	0.00	100%
6004	ok	8.0 Ramp Loan Program	FLIC	22,740.00	5,729.56	77%
6005	complete	9.0 Mini Repair	INHS	32,500.00	0.00	100%
6006	complete	11.0 Hospitality Employment Training Program	GIAC	110,000.00	0.00	100%
6007	ok	13.0 Volunteer Worker & Job Skill Training	Finger Lakes ReUse, Inc.	40,300.00	15,291.22	79%
6008	ok	14.0 Work Preserve Job Training	Historic Ithaca	66,760.00	6,316.85	91%
6009	ok	16.0 Targeted Urban Bus Stop Upgrades	TCAT	13,500.00	13,500.00	0%
6010	complete	19.0 Immigrant Services	Catholic Charities	30,000.00	0.00	100%
6011	ok	20.0 Work Preserve Job Readiness	Historic Ithaca	20,000.00	6,913.81	65%
6012	complete	21.0 2-1-1 Info and Referral	Human Services Coalition	20,000.00	0.00	100%
6013	complete	22.0 Housing For School Success Year #3	Ithaca City School District (ICSD)	27,005.00	0.00	100%
6014	complete	23.0 CDBG Admin	IURA	137,214.00	0.00	100%
6015	complete	25.0 Economic Development Loan Fund	IURA	26,052.00	0.00	100%
6016	complete	17.0 Final Phase: Heating & Roofing <sup>25</sup>	DICC	0.00	0.00	100%
6017	<b>NO</b>	18.0 Domestic Violence Center Renovation <sup>25</sup>	Advocacy Center	0.00	9,960.72	0%
	ok	Unallocated 2018 CDBG	N/A	25,000.00	2,607.89	N/A
<b>Total</b>				<b>686,071.00</b>	<b>100,320.05</b>	<b>88%</b>
<b>2018 HOME Activities</b>						
8002	ok	3.0 402 South Cayuga Street	INHS	150,000.00	150,000.00	0%
8003	ok	4.0 Housing Scholarship Program <sup>2</sup>	The Learning Web	65,592.00	27,513.57	58%
8004	complete	5.0 Security Deposit Assistance <sup>24,2</sup>	Catholic Charities	18,250.00	0.00	100%
8004a	complete	6.0 Security Deposit Inspections <sup>24</sup>	TCA	1,058.00	0.00	100%
8005	ok	7.0 INHS Scattered Site 2 (CHDO) <sup>24</sup>	IURA	0.00	10,000.00	90%
8006	complete	10.0 Additional Reserve (CHDO) 24, 26	TBD	97,022.70	0.00	N/A
8007	complete	Home Admin	IURA	36,880.30	0.00	100%
	ok	2018 HOME Unallocated <sup>2</sup>	N/A	0.00	12,729.74	N/A
<b>Total</b>				<b>368,803.00</b>	<b>200,243.31</b>	<b>52%</b>
<b>2019 CDBG Activities</b>						
6022	ok	1.0 Homeowner Rehab	INHS	67,594.32	67,594.32	0%
6023	ok	2.0 Small Repair Program	INHS	21,110.00	32,500.00	0%
6024	ok	6.0 Finger LakesReUse Job Skills Training	Finger Lakes ReUse, Inc.	95,529.00	95,529.00	0%
6025	ok	7.0 Work Preserve Job Training	Historic Ithaca	67,500.00	67,500.00	0%
6026	ok	8.0 Hospitality Employment Training Program	GIAC	110,725.28	110,725.28	0%
6027	complete	9.0 Ithaca ReUse Center Acquisition	Finger Lakes ReUse, Inc.	100,000.00	0.00	100%
6028	complete	10.0 Economic Development Loan Fund	IURA	0.00	0.00	100%
6029	ok	11.0 Black Girl Alchemists Public Art Mosaic	CAP	7,500.00	7,500.00	0%
6030	ok	12.0 Housing For School Success	Beverly J. Martin Elem	15,700.00	15,700.00	0%
6031	complete	13.0 2-1-1	Human Services Coalition	0.00	0.00	100%
6032	ok	14.0 Work Preserve: Job Readiness	Historic Ithaca	20,000.00	20,000.00	0%
6033	ok	15.0 A Place To Stay	Catholic Charities	20,000.00	20,000.00	0%
6034	ok	16.0 Immigrant Services	Catholic Charities	25,059.00	18,794.25	25%
6035	ok	17.0 CDBG Admin	IURA	137,679.40	110,844.24	19%
<b>Total</b>				<b>688,397.00</b>	<b>566,687.09</b>	<b>31%</b>
<b>2019 HOME Activities</b>						
8011	ok	1.0 Homeowner Rehab	INHS	42,151.58	42,151.58	0%
8012	ok	3.0 Immaculate Conception School Redev	INHS	98,668.22	199,900.00	0%
8013	ok	4.0 Housing Scholarship Program	The Learning Web	70,560.00	70,560.00	0%
8014	ok	5.0 Security Deposit Assistance-Vulnerable Households	Catholic Charities	63,995.00	52,019.00	19%
8015	ok	18.0 HOME Admin	IURA	30,597.20	20,307.94	34%
<b>Total</b>				<b>305,972.00</b>	<b>384,938.52</b>	<b>5%</b>
<b>Total Unexpended Funds</b>						
					<b>666,507.14</b>	
Unexpended CDBG Entitlement Funds					<b>500.00</b>	
Unexpended CDBG Program Income Committed to Action Plan Activities					<b>143,753.32</b>	
CDBG Revolving Loan Fund Balance (#02 Bank Balance excluding interest)					<b>610,534.97</b>	
Unexpended HOME Entitlement Funds					<b>0.00</b>	
Unexpended HOME Program Income					<b>0.00</b>	
HOME Program Income Unassigned					<b>0.00</b>	
<b>Total Unexpended HUD Funds</b>					<b>1,420,795.43</b>	

**1.5 CDBG Spend Down Ratio Analysis (must be less than 1.5 by June 1st of each year):**

## IURA Grants Summary February 2020

ON	HUD ENTITLEMENT ACTIVITIES	SPONSOR	BUDGET	TOTAL UNEXPENDED	% SPENT
#	<u>SCHEDULE</u>				
	CDBG Spend Down Ratio = total unexpended CDBG funds/most recent annual CDBG award				
	Most Recent Annual CDBG Award:			<b>688,397</b>	
	1.5 x Most Recent CDBG Award:			<b>1,032,596</b>	
	Current Unexpended CDBG Funds:			<b>810,260</b>	
	Current CDBG Spend Down Ratio:			<b>1.18</b>	
	Compliance With 1.5 CDBG Spend Down Ratio:			<b>Yes</b>	
	Amount Required to be Expended by 6/1 to Meet CDBG Spend Down Ratio:			<b>-222,335</b>	



**LOAN REPAYMENTS DUE TO IURA**

February 2020

	Original Loan	Year	Final Due Date	%	Monthly Pymt	Paid	Loan Balance	Status	Date Pymt Rec'd
<b>Entitlement Loans</b>									
Diane's Downtown Auto-revised 5/3/12	\$ 80,000	2006	2026	4	\$ 449.85	\$ 472.34	\$ 29,808.72	Current	2/27/2020
Cedar Creek(90K HOME/10K HODAG) <sup>2</sup>	\$ 100,000	2008	2038	5	N/A	N/A	\$ 172,695.32	Int. Only Pmts. subject to cash flow	N/A
Breckenridge Place	\$ 400,000	2012	2053	1	N/A	N/A	\$ 495,253.34	Int. only pmts. due subject to cash flow	N/A
<b>TOTAL ENTITLEMENT LOANS</b>	<b>\$ 580,000</b>				<b>\$ 449.85</b>	<b>\$ 472.34</b>	<b>\$ 697,757.38</b>		

<b>CD-RLF</b>									
Ithaca Coffee Roasting Facility	\$ 100,000	2013	2033	2.5	\$ 537.42	\$ 537.42	\$ 74,485.74	Current	2/1/2020
LAG Restaurant (The Rook)	\$ 40,000	2016	2022	2.5	\$ 600.72	\$ 600.72	\$ 15,755.88	Current	2/1/2020
210 Hancock <sup>6</sup>	\$ 120,000	2016	2048	3.5	\$ 565.87	\$ 565.87	\$ 120,668.63	Current	2/4/2020
Tompkins Community Action (Harriet Giannelis)	\$ 84,200	2018	2039	2.5	\$ 440.54	\$ 440.54	\$ 79,891.10	Current	2/3/2020
Tompkins Community Action Relocation Loan	\$ 90,960	2018	2029	2.5	\$ 857.48	\$ 857.48	\$ 83,535.20	Current	2/3/2020
Scattered Site Preservation	\$ 160,000	2018	2051	2	\$ -	\$ -	\$ 128,662.00	No accrued interest or pmts due in construction period - up to 3 years	N/A
Sunny Days	\$ 50,000	2014	2020	2.5	\$ 888.37	\$ 888.37	\$ 6,044.23	Current	2/1/2020
<b>TOTAL CD-RLF LOANS</b>	<b>\$ 645,160</b>				<b>\$ 3,890.40</b>	<b>\$ 3,890.40</b>	<b>\$ 509,042.78</b>		

<b>CD-RLF Priority Business</b>									
State Theatre <sup>1</sup>	\$ 458,500	2009	2029*	2	\$ 1,741.96	\$ 1,741.96	\$ 331,359.51	Current	2/1/2020
Delante <sup>5</sup>	\$ 150,000	2015	2023	2.5	\$ 1,954.31	\$ 1,954.31	\$ 16,708.77	Current	2/1/2020
Liquid State Brewing Company	\$ 70,000	2017	2024	2.5	\$ 975.54	\$ 1,075.00	\$ 46,177.09	Current	2/7/2020
Urban Core	\$ 200,000	2017	2037	3.5	\$ 1,159.92	\$ 1,159.92	\$ 186,304.21	Current	2/1/2020
GreenStar Coop	\$ 400,000	2019	2029	3.5	\$ 583.33	\$ 583.33	\$ 400,000.00	Current	2/19/2020
Finger Lakes Massage Group	\$ 150,000	2015	2023	3.5	\$ 2,152.91	\$ -	\$ 83,081.39	<b>Past Due-owes Sept. 2019 - Feb. 2020</b>	8/1/2019
<b>TOTAL CD-RLF PRIORITY BUSINESS</b>	<b>\$ 1,428,500</b>				<b>\$ 8,567.97</b>	<b>\$ 6,514.52</b>	<b>\$ 1,063,630.97</b>		

<b>CDBG</b>									
210 Hancock <sup>6</sup>	\$ 130,404	2016	2048	2	N/A	\$ -	\$ 133,147.50	Int. only pmts. due subject to cash flow	5/2/2019

<b>Non-CDBG</b>									
Cayuga Green	\$ 847,083	2007	2038	6.25	\$ 5,193.47	\$ -	\$ -	Paid in Full	1/3/2020
Ithaca Downtown Assoc (Canopy Hotel) <sup>4</sup>	\$ 1,375,000	2016	2037	3.05%	\$ 7,660.18	\$ 15,320.36	\$ 1,263,188.13	Current	2/7/2020
The Lofts on Six Mile Creek	\$ 260,000	2014	2029	6	\$ 2,242.00	\$ -	\$ -	Paid in Full	1/3/2020
<b>TOTAL NON-CDBG</b>	<b>\$ 2,482,083</b>				<b>\$ 15,095.65</b>	<b>\$ 15,320.36</b>	<b>\$ 1,263,188.13</b>		

<b>HODAG</b>									
Breckenridge Place	\$ 600,000	2012	2043	2	\$ 2,217.72	\$ 2,217.72	\$ 504,181.04	Current	2/4/2020
<b>TOTAL HODAG LOANS</b>	<b>\$ 600,000</b>				<b>\$ 2,217.72</b>	<b>\$ 2,217.72</b>	<b>\$ 504,181.04</b>		

<b>HOME</b>									
Stone Quarry Apartments, LLC <sup>3</sup>	\$ 370,000	2014	2045	2	N/A	\$ -	\$ 377,806.97	Int. only pmts. due subject to cash flow	5/2/2019
210 Hancock <sup>6</sup>	\$ 206,923	2017	2047	2	N/A	\$ -	\$ 211,306.59	Int. only pmts. due subject to cash flow	5/2/2019
Cayuga Flats	\$ 90,000	2020	2070	0	N/A	N/A	\$ 90,000.00	No accrued interest or pmts due in construction period - not to extend for 24 months	N/A
<b>TOTAL HOME</b>	<b>\$ 576,923</b>						<b>\$ 679,113.56</b>		

<b>TOTAL IURA LOAN PORTFOLIO</b>	<b>\$ 6,443,069</b>				<b>\$ 30,221.59</b>	<b>\$ 28,415.34</b>	<b>\$ 4,850,061.36</b>	Agrees to Balance Sheet for February 2020	
						\$ 583.33		Less GreenStar Interest Only Pmt (directly to IURA)	
						<b>\$ 27,832.01</b>		Agrees to M&T loan Statement for February 2020	

**Notes**

- State Theatre's loan was extended/balloon payment now due in March 2029
- Cedar Creek's first Interest Only payt. due 1/1/11 - yearly payt. subject to available cash flow
- Permanent phase for Stone Quarry began 11/1/2015. Permanent phase interest rate is 2%. Interest compounds annually. Interest payments in permanent phase are subject to cash flow. Balloon payment of principal and all interest owed due in 2045.
- Canopy Hotel closed on 8/10/2016. Interest only pmts are due for the first 15 months. Interest rate is adjustable every five years. P&I payments begin 1/1/2018.
- Delante Loan was disbursed 2/3/2016. First 6 months Interest Only payments due beginning 3/1/2016. Interest Rate 3.5%.
- 210 Hancock loans (3) have a maximum 24 month const period where interest at 2% and 3.5% will compound annually. No principal or interest payments are due during the construction period. Interest rates will remain constant in Permanent phases.
- Urban Core Loan was disbursed 8/29/2017 for closing on 8/30/2017. First 6 months Interest Only payments due beginning 10/1/2017. Interest Rate 3.5%.

**LEASE PAYMENTS DUE TO IURA**

February 2020

<b>Project</b>	<b>Monthly Fee</b>	<b>Quarterly Fee</b>	<b>Yearly Fee</b>	<b>Status</b>	<b>Date Last Payt. Rec'd</b>
<b>Cherry Street Industrial Park</b>					
<b>Evaporated Metal Films</b>					
Yearly Maintenance Fee - July			\$ 236.80	Current	8/6/2019
<b>Precision Filters</b>					
Yearly Maintenance Fee - July			\$ 375.00	Current	7/19/2019
<b>Cayuga Green</b>					
<b>Allpro Parking - air rights lease</b>					
Monthly Lease (rate change 1/1/2020)	\$ 2,937.00			Current	2/26/2020
<b>Cayuga Green-Parcel A ground floor</b>					
Monthly Lease-rate change on 2/1/2019	\$ 6,784.00			Current	2/11/2020
<b>Cinemapolis</b>					
Monthly Lease-rate change on 5/1/19	\$ 3,267.63			Current	2/11/2020
Qrtly Maint Fee- Jan., April, July, Oct. (Maint Fee rate change on 7/1/19)		\$ 289.10		Current	2/19/2020
<b>Other Leases</b>					
<b>Southside Community Center-RIBS</b>					
Monthly Lease -New rate 7/1/19	\$ 460.61			Current	2/28/2020
<b>Farmer's Market/Steamboat Landing</b>					
Quarterly Lease - June, Aug., Oct., Dec.		\$ 8,581.00		Current	12/30/2019