



CITY OF NORWICH DOWNTOWN BUSINESS RELIEF PROGRAM

INTRODUCTION

PROGRAM FUNDING

The Downtown Business Relief Program (DBRP) is made possible through U.S. Department of Housing and Urban Development (HUD) Small Cities and Urban Development Action Grant (UDAG) Program Income.

PROGRAM PURPOSE

The purpose of DBRP is to provide financial assistance to businesses in the City of Norwich that have been affected by disruptions with construction from the City of Norwich, NYSEG, and other improvements restricting access to the businesses. The program will provide gap funding for businesses through the scheduled construction with the objective of keeping businesses open and retaining jobs in the City of Norwich.

PROGRAM CHANGES

At the discretion of the mayor, or Common Council, the DBRP may be modified to implement improved practices, better comply with regulations, or to ensure the timely expenditure of program funds.

PROGRAM ADMINISTRATION

The City of Norwich Community Development Director will be responsible for the operations of the DBRP and compliance with HUD and other regulations. Applications for assistance will be reviewed by the DBRP Review Committee who will make the determination of funding.

ELIGIBILITY

LOCATION

Applicants must be within the City of Norwich. Preference will be given to businesses in the downtown area affected by construction.

NEED

Applicants must demonstrate the need for DBRP funding and the effect the ongoing construction has had on the business. Applicants will be required to provide an answer on why funding is needed and provide documentation to support such as cash flow statements, monthly expenses, tax returns, profit and loss statement and other financial statements if applicable.

USE OF FUNDS

Funds must be reasonable and appropriate for relief and can be used for:

1. Salary;
2. Rent/mortgage;
3. Inventory;
4. Operating capital—the specific uses must be detailed in the application;

5. Other uses not noted above deemed appropriate by DBRP Review Committee.

INELIGIBLE USE OF FUNDS

The following are not eligible for the DBRP:

1. Any activities that will result in the loss of jobs or the reduction of hours for existing employees;
2. Purchase of machinery, equipment, furniture, or fixtures;
3. Acquisition of real property;
4. Purchase or lease of motor vehicles;
5. Construction, building renovations, or improvements;
6. Religious or political activities;
7. Lobbying or governmental activities;
8. Other activities not reasonable or appropriate for business relief.

FINANCIAL ASSISTANCE

AWARD AMOUNT

Applicants are eligible for a maximum award amount of up to \$10,000. The amount requested will be reviewed by the DBRP Review Committee to determine if you are eligible for funding, if the request is reasonable, and the amount you will receive.

CONDITIONS OF FUNDING

RECAPTURE PERIOD

A 12-month period after the award of the loan that a business must remain open in the city and retain all employees. If any requirements of the program are not met in the recapture period, the loan immediately becomes payable.

FORGIVABLE LOAN

The City of Norwich will provide a deferred loan to businesses that will be fully forgiven if the business remains open in the city and the requirements of the program are met during the recapture period. From the date of the award until 6 months, 100% of the award is payable if the conditions of the program are not met. Between 6 and 12 months, 50% of the loan is forgiven. When the 12-month recapture period is met, the loan is forgiven.

Recapture period (complete after 12 months)	Amount payable
0-6 months	100%
6-12 months	50%
12 months	0%

NATIONAL OBJECTIVE

Job retention primarily for low-to-moderate income individuals is a requirement of the program. Applicants are required to attest by signature the number of current employees on their payroll. Any business receiving funding will be required to retain employees with no reduction in hours during the recapture period. Owner/operators of businesses with no employees are only required to stay open for the recapture period.

UNDERWRITING

The DBRP will review required documents including but not limited to federal tax returns, proof of monthly expenses, profit/loss statements and cash flow statements to determine the financial status of the business and to decide on funding. The failure to include the required documents will leave the application in an incomplete state and will not be reviewed until it is complete.

PROOF OF EXPENDITURE

Receipts for all eligible expenditures must be submitted to the City of Norwich for program monitoring. Proof of eligible expenditures must be shown by receipts totaling the award amount. If receipts are not provided for the expenditures, the deferred loan will become payable.

APPLICATION PROCESS

APPLICATION

Applications will be available for pickup at City Hall, One City Plaza, Norwich. Once an application is complete it must be returned to City Hall with all required documentation. Completed applications will be reviewed in the order they are received, if an application is incomplete, it will not be reviewed until all the required information is received.

NOTICE OF AWARD/DENIAL

The decision of the DBRF Review Committee will be provided in writing to the applicant.

PAYMENT

A check for payment will be prepared by the City of Norwich. Payments will be available for pickup in City Hall during normal business hours.

CLOSEOUT

MONITORING

Required monitoring will be completed by the City of Norwich with the use of HUD funds to ensure compliance with the program goals.

A Final Monitoring Report will be completed before the end of the 12-month recapture period. If all requirements are met, a letter ending the recapture period will be provided by the City of Norwich and the loan will be forgiven.

For additional information contact:

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