



Emergency Rent & Mortgage Business Assistance Program

Overview

Executive Order No. 2020-EO-04 signed by Mayor Meyer on March 25, 2020 established the **Emergency Rent & Mortgage Business Assistance Program** is designed to provide rent subsidy or mortgage assistance to Covington businesses experiencing financial challenges as part of the coronavirus closings in order to retain businesses, jobs, and reduce the risk of commercial vacancies in our community.

The program offers financial assistance in the form of reimbursement of up to half of the business's monthly rent or mortgage payment, or \$500.00 per month (whichever is less). Eligibility for assistance is up to four months, or up to \$2,000. A business will be eligible starting April 2020.

Eligibility

Applicant must be an existing commercial enterprise and have an existing occupational license with the City. At this time, applicants must be classified within the industry sectors of Accommodation & Food Services (NAICS 72) or Retail Trade (NAICS 44-45). Applicant must have an active, executed multi-year lease or mortgage for its business enterprise. Businesses must keep regular operating hours that are equal to or greater than thirty (30) hours per week, unless otherwise ordered to close by legal mandate. Applicant must contact and be working with the Kentucky Small Business Development Center (SBDC) on business coaching, contingency planning, accessing federal disaster loans. Finally, applicants cannot currently be receiving a rent subsidy incentive with the City of Covington.

To Apply

Applications are reviewed on a rolling basis. All applications must have the required attachments in order to be considered. The City has limited funding available. Applicants should demonstrate why their business should receive emergency rent subsidy support. Submission of an application is not a guarantee of funding. City staff will evaluate the strength of an application based on the Rating Sheets attached as Exhibit A. Submission of an application is not a guarantee of funding.

PLEASE EMAIL APPLICATIONS TO:	To Contact the SBDC Office:
Ross Patten	Catherine Glover
Phone: 859.292.2144	Phone: 859.448.8801
Email: rpatten@covingtonky.gov	Email: Gloverc5@nku.edu
Website: https://www.covingtonky.gov/	Website: https://www.ksbdc.org/

****SUBMISSION OF AN APPLICATION IS NOT A GUARANTEE OF FUNDING****



Emergency Rent & Mortgage Business Assistance Program

Application

If Renting from Landlord:

Landlord's Name: _____ Landlord's Email Address: _____

Monthly Rental Rate: \$ _____ Lease Expiration Date: _____

If Mortgage from Lender:

Lender's Name: _____ Monthly Mortgage Payment: \$ _____

Other Financial Assistance:

Are you receiving grant assistance from any other governmental agencies? Yes | No

If yes, please explain: _____

CERTIFICATION AND WAIVER OF PRIVACY

I, the undersigned, applicant(s) certify that all information presented in this application, and all of the information furnished in support of the application, is given for the purpose of obtaining a forgivable loan under the City of Covington Small Business Program, and it is true and complete to the best of the applicant(s) knowledge and belief. The applicant(s) further certifies that he/she is aware of the fact that he/she can be penalized by fine and/or imprisonment for making false statements or presenting false information.

I understand that this application is not a guarantee of funding assistance. Should my application be approved, I understand that the City of Covington may at its sole discretion discontinue subsidy payments or reimbursement at any time for cause.

I hereby give my consent to the City of Covington, its agents and contractors to examine any confidential information given herein. I further grant permission, and authorize any bank, employer or other public or private entity or agency to disclose information deemed necessary to complete this application.

I understand that if this application and the information furnished in support of the application are found to be incomplete, it will not be processed.

Applicant's Signature: _____ Date: _____

Printed Name: _____ Title: _____

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Emergency Rent & Mortgage Business Assistance Program

Application

Supporting Documentation Checklist

Application packets must include the following documentation:

- Completed and signed application
- Attach a copy of executed commercial lease agreement or most recent mortgage statement
- Attach the business' current balance sheet
- Attach an email or letter from the Kentucky Small Business Development Center (SBDC) stating that the applicant is an active client (see below for contact information)
- Attach your City of Covington occupational license
- Attach a signed W-9 with Employer Identification Number (EIN)

To contact the Northern Kentucky office of the SBDC, please reach out to Catherine Glover at:

<https://www.ksbdc.org/>
Catherine Glover
KSBDC Business Coach and Center Director
Gloverc5@nku.edu
1.859.448.8801

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Exhibit A Rating Sheet

Applicant: _____ **FOR REFERENCE ONLY – DO NOT FILL OUT**

Address of Business _____

Project Rating Categories	Score =	TOTAL
1. Financial documentation (up to 5 points) <ul style="list-style-type: none">Executed Active Lease or MortgageCurrent Balance Sheet		= _____
2. Narrative of Financial Need (up to 10 points) <ul style="list-style-type: none">Business owner's description about hardship, including impact on business's revenue, hours, employees and suppliers.Actions currently being done by owners to offset the impact, andAny business insurance, emergency bank accounts, or lender/landlord concessions on fees/payments in place to lessen the impact (to understand the current scenario and understand any discussion with lenders/landlords and financial reps)		= _____
3. Working with KSBDC (up to 5 points) <ul style="list-style-type: none">Active client of KSBDCImplementing contingency planning and coaching strategies		= _____

TOTAL SCORE:

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Emergency Disaster Rent & Mortgage Business Assistance Program

1. Overview

- a. The Emergency Disaster Rent & Mortgage Business Assistance Program offers financial assistance in the form of reimbursement of up to half of the business's monthly rent or mortgage payment, or \$500.00 per month (whichever is less).
- b. The program is designed to provide rent subsidy or mortgage assistance to Covington businesses experiencing financial challenges as part of the Coronavirus emergency closings in order to retain businesses, jobs, and reduce the risk of commercial vacancies in our community.
- c. Eligibility for assistance is up to four months, or up to \$2,000.
- d. Applications are reviewed on a rolling basis until notified otherwise. All proposals must have the required attachments in order to be considered.
- e. Submission of an application is not a guarantee of funding.

2. Eligibility

- a. Applicant must be an existing commercial enterprise (Applicant must be a corporation, firm, partnership, limited liability company, sole proprietorship, or similar entity) and have an existing occupational license with the City.
- b. Applicants must be classified within the industry sectors of Accommodation & Food Services (NAICS 72) or Retail Trade (NAICS 44-45).
- c. Applicant must have an active, executed multi-year lease or mortgage for its business enterprise, which was effective on or before March 16, 2020.
- d. Businesses must establish, keep and contractually agree to regular, set, operating hours that are equal to or greater than thirty (30) hours per week, unless otherwise ordered to close by legal mandate.
- e. Cannot currently be receiving a rent subsidy incentive with the City of Covington.
- f. Applicant must be working and remain actively working as a client of the Kentucky Small Business Development Center ("KSBDC") Network on contingency planning, a service which creates action plans for small businesses, regardless of the cause, to manage through the difficult times and position the business for future growth.

3. Eligible Costs

- a. The maximum total benefit per business is \$2,000.00. Rent Subsidy offers financial assistance in the form of reimbursement of rent payment of up to half of the business's monthly rent or \$500.00 per month (whichever is less).
- b. Eligibility for assistance is up to four months.
- c. A business will be eligible starting April 2020.
- d. After approval, businesses must sign and submit a monthly reimbursement request (attached as an exhibit to their contract) and attach a canceled check for the rent payment to the landlord in order to be reimbursed.

4. Discontinuation of Payment

- a. The program is designed to offer assistance during and immediately following the Coronavirus. The City of Covington retains the right to discontinue rent incentive payments within 30 days notice. Assistance agreements will authorize the City to terminate assistance if the City's sole judgment, the public emergency or need for emergency assistance has expired.

5. Application process

- a. Applications will be accepted on a rolling basis.
- b. Application and Attachments- Applicants must submit with their application:
 - i. Completed and signed application.
 - ii. A copy of executed commercial lease agreement or mortgage statement.
 - iii. Business's current balance sheet.
 - iv. An email or letter from the KSBDC stating that the applicant is an active client working on contingency planning as part of the coronavirus.
 - v. City of Covington occupational license.
 - vi. Completed W-9.
- c. Application Evaluation Criteria:
 - i. The City has limited funding available. Applicants should demonstrate why their business should receive emergency rent subsidy support. Submission of an application is not a guarantee of funding. City staff will evaluate the strength of an application based on the rating criteria included in Section 6.
- d. Recommendation for Approval or Denial.
 - i. Depending upon funding availability and the strength of individual applicants based on the rating criteria outlined herein, City staff will recommend applicants to the City Manager for final approval. The City Manager is authorized on behalf of the City to execute the program agreements for assistance under this Emergency Disaster Rent Subsidy Assistance Program. The City Manager shall consider the recommendation of staff, and the eligibility and ratings criteria established for the Emergency Disaster Rent Subsidy Assistance Program.
- e. Conflict of Interest:
 - i. Applicants shall ensure a conflict of interest does not exist. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected or appointed official to the City of Covington, and if the applicant: exercises or has exercised any functions or responsibilities with respect to funds for this program, or participates in the decision-making process related to funds for this program, or is in a position to gain inside information with regard to program activities. If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from the City of Covington. Additionally, the prohibitions against conflicts of interest, gratuities and kickbacks in KRS 45A.455 are specifically incorporated herein.
- f. Agreement

- i. An executed agreement between the applicant and the City is required in order for the applicant to receive fund disbursements.
- ii. Among other terms and conditions of the agreement, the applicant will be required to operate the business in accordance with all local, state, and federal ordinances, rules, laws, regulations, and orders.
- iii. Upon request, an example copy can be sent to the business applicant.

6. Application Rating Sheet Criteria

- a. Financial documentation (up to 5 points)
 - i. Executed Active Lease or Mortgage
 - ii. Current Balance Sheet
 - b. Narrative of Financial Need (up to 10 points)
 - i. Business owner's description about hardship, including impact on business's revenue, hours, employees and suppliers.
 - ii. A description of any efforts to avoid or reduce layoffs of employees
 - iii. Actions currently being done by owners to offset the impact.
 - iv. Any business insurance, emergency bank accounts, or lender/landlord concessions on fees/payments in place to lessen the impact (to understand the current scenario and understand any discussion with lenders/landlords and financial reps).
 - c. Working with KSBDC (up to 5 points)
7. Applicant shall submit evidence that it is an active client of KSBDC, including contingency planning and coaching strategies for hard financial times.

8. Authority

The City of Covington, by and through the Mayor, is authorized to implement the Emergency Disaster Rent & Mortgage Business Assistance Program, which is an execution of emergency powers and serves the public purpose of stimulating economic development and providing and preserving job opportunities in response to the Coronavirus pandemic and public health emergency, in accordance with the following:

- i. KRS Chapter 39A, including KRS 39A.100(2)(d);
- ii. KRS Chapter 39B, including 39B.070(6); and
- iii. City of Covington, Office of the Mayor, Executive Order No. 2020-EO-01.