



**Town of Gordonsville, Virginia
Agenda Item Summary
September 21, 2020**

<p><u>AGENDA ITEM 11a</u> Unfinished Business</p> <p><u>AGENDA TITLE:</u> Consideration of CARES Act Funding Allocation.</p> <p><u>PRESENTER:</u> Mayor Robert Coiner</p>	<p><u>DISPOSITION:</u> <input checked="" type="checkbox"/> Action Required <input type="checkbox"/> For Discussion <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Closed Session <input type="checkbox"/> Informational</p> <p><u>ATTACHMENTS:</u> <input checked="" type="checkbox"/> yes <input type="checkbox"/> no</p>
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BACKGROUND:

This matter has been placed on Council’s agenda at their request as an on-going item of discussion regarding the Town’s use of CARES Act funding allocated to the Town. To date, \$24,394.11 has been expensed or encumbered for the Town’s CARES Act related materials or services.

The second half of CARES Act funding allocation to localities has been released by the Governor; the Town will receive another \$140,030 from Orange County in mid-September.

Attached for Council’s review is a draft spending plan for the Town’s allocation of CARES Act funding. The plan is modeled after the County’s spending plan and has been drafted to provide as much support to the Gordonsville community as possible while ensuring funds are available to support the Town’s COVID-19 response. The features of the plan are as follows:

Materials and Supplies

Approximately \$7,000 is set aside in the plan for the purchase of personal protective equipment and sanitizing supplies for the Town organization. This includes items already purchased and those anticipated to be purchased between now and December 30th.

Purchased Services

Approximately \$14,700 is set aside in the plan to cover facility cleaning and sanitization expenses, accounting consulting services related to COVID-19, and Zoom meeting platform subscription expenses.

Capital Outlay

Approximately \$19,800 is set aside in the plan to cover expenses for the purchase and installation of touchless faucets in all Town offices; touchless water fountains in Town Hall, the Public Works office, and in Verling Park; and ultraviolet lighting in HVAC duct systems for air sanitization in all Town facilities.

Personnel Expenses

Approximately \$13,000 is set aside in the plan to cover the expense of staff time for COVID-19 preparation and response, as well as unemployment insurance payments for those employees who filed for unemployment benefits from a loss of work due to COVID-19 (pool staff).

Individual and Family Assistance

In order to assist Town residents with mortgage, rent or utility payments during COVID-19, \$45,000 is set aside in the plan to be given to the Orange County Department of Social Services (OCDSS) for their mortgage/rent/utility relief program. To maximize the benefit to Town residents, staff will work with OCDSS by “pre-screening” prospective recipients to ensure they are Gordonsville residents before sending them to DSS to apply for assistance. Anyone needing assistance with mortgage, rent or utility payments may apply for up to \$1,200 relief; DSS will directly pay the mortgage company, landlord or utility to cover any unpaid balances.

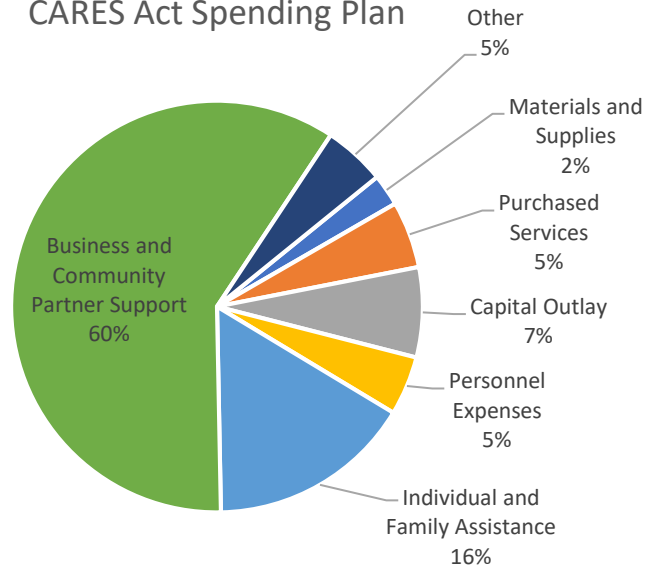
Business and Community Partner Support

A significant portion of the Town’s allocation of CARES Act funding is slated to provide support to our local businesses and community partners. Approximately \$37,000 is included in the plan for donations to Feed My Sheep, the Christian Emergency Council, the Orange Free Clinic, and the Piedmont Dental Clinic—all of whom need financial assistance to continue providing their services to the community during the pandemic. While COVID-19 has virtually eliminated the ability for these groups to fundraise in the usual manner because of restrictions placed on social gatherings and other functions, it has also significantly increased the need for their services as families struggle financially due to the impacts of COVID-19. Additionally, the fundraising efforts of the Gordonsville Volunteer Fire Company have been hampered due to COVID-19 restrictions such that financial assistance from the Town will provide the funding they need to continue to serve the community during the pandemic; \$5,000 is slated as a donation to GVFC.

Relief to the Town’s business community would be offered through a business mini-grant program called Gordonsville Gives Back that is administered through the [Community Investment Collaborative \(CIC\)](#). Two funding categories are included: \$75,000 would be available for mini-grants to for-profit businesses, schools and daycare establishments; and \$50,000 would be available for mini-grants to non-profit organizations. The attached draft program that sets forth the eligibility criteria and application process is modeled after Orange County’s program, also being administered by CIC. Information about CIC’s proposal to help the Town administer the mini-grant program is also attached for Council’s information. Staff recommends the Town pursue Option 1 where CIC reviews and scores applications based on criteria set up in the Town’s program. Any funds not expended in this program will be returned to the Town for return to Orange County in accordance with the allocation agreement between the two entities.

The graph below illustrates the distribution of CARES Act funding as set forth in the draft plan.

Town of Gordonsville CARES Act Spending Plan



As localities continue to navigate the impact of COVID-19 on their communities, guidance for the use of coronavirus relief funds is updated and refined. Town staff continues to make every effort to remain informed about the requirements and limitations surrounding the use of CARES Act funding. This spending plan, as presented, is intended to serve as an initial guideline for the expenditure of funds allocated to the Town. However, as the actual needs of the community become more clear, additional eligible uses for the funds and/or suggested re-allocation of the funds may be considered.

Staff requests Council's approval of the spending plan, as presented.

MOTION FOR CONSIDERATION:

“Motion to approve the Town of Gordonsville CARES Act spending plan, as presented/amended, and to authorize the Town Manager to execute related documents, contracts, and agreements to facilitate spending funds in accordance with federal requirements, and to transfer funds within categories should conditions change as the result of the community's impact from COVID-19.”

Town of Gordonsville
 CARES Act Spending Plan

Category	Expense
CARES Act fund beginning balance	\$ 280,060
Materials and Supplies	
Personal protective equipment	\$ 3,000
Sanitizing supplies	\$ 4,000
Total Materials and Supplies	\$ 7,000
Purchased Services	
Facility cleaning and sanitization	\$ 11,000
Accounting consulting	\$ 3,500
Zoom meeting expenses	\$ 200
Total Purchased Services	\$ 14,700
Capital Outlay	
purchase/installation of touchless faucets and fountains in Town buildings/parks	\$ 15,000
installation of ultraviolet lighting in Town building duct systems for air sanitization	\$ 4,800
Total Capital Outlay	\$ 19,800
Personnel Expenses	
Staff COVID-19 preparation and response	\$ 8,000
Unemployment payments	\$ 5,000
Total Personnel Expenses	\$ 13,000
Individual and Family Assistance	
Contribution to OCDSS for utility/rent/mortgage assistance	\$ 45,000
Total Individual and Family Assistance	\$ 45,000
Business and Community Partner Support	
For-profit small business mini-grant program (CIC)	\$ 75,000
Non-profit small business mini-grant program (CIC)	\$ 50,000
Donation to Gordonsville Volunteer Fire Company	\$ 5,000
Donation to Feed My Sheep food program (food)	\$ 7,000
Donation to Christian Emergency Council (shelter)	\$ 10,000
Donation to Orange Free Clinic (medical)	\$ 10,000
Donation to Piedmont Dental Clinic (dental)	\$ 10,000
Total Business and Community Partner Support	\$ 167,000
Other	
Contingency	\$ 13,560
Total Other	\$ 13,560
Total	\$ 280,060
Balance	\$ -

GORDONSVILLE GIVES BACK SMALL BUSINESS GRANT PROGRAM

Gordonsville Gives Back Small Business Grant program will offer grants to qualified businesses and organizations that will not have to be repaid. The program is funded using federal CARES Act funds provided to the Town of Gordonsville and will be administered by Community Investment Collaborative (CIC). The grant application process will open on October 5, 2020, closing on October 19, 2020 at 11:59 pm EST. Grant awards will be awarded on October 30, 2020. With the large volume of transactions being handled by CIC, please note it may take 7-10 days for your bank to receive the funds.

The aim of the \$125,000 fund, which includes \$75,000 available to for-profit businesses and private schools, and \$50,000 available to non-profit entities, is to award cash grants to small businesses and organizations impacted by COVID-19 in a timely and efficient manner.

FOR-PROFIT BUSINESSES AND PRIVATE SCHOOLS/CHILDCARE

Eligibility:

- Must be operational as of March 27, 2020
- Must be based within the corporate limits of the Town of Gordonsville
 - Does not require a “storefront” location. Can be a home-based business
- Current on local taxes
 - Money cannot be used to become current on taxes
- For-profit businesses and private schools/childcare/daycare (for profit or nonprofit, 501(k))
- Must show a revenue loss or expenditure increase due to COVID-19 health crisis
- If other COVID-19 relief funding has been received from the locality, the new grant request must be used for other expenses (provide documentation to confirm)

Amount awarded:

- Grants of up to \$5,000 for businesses with fewer than 10 full-time employees.
- Grants of up to \$10,000 for businesses with more than 10 but fewer than 50 full-time employees.

Funds may be used for:

- Personal Protective Equipment (PPE)
- Redesign of structure or operations to meet social distancing requirements
- Website, e-Commerce, or other digital forms of communicating to customers or clients
- Payroll or other operating expenses
- Rent or mortgage payments
- Debt incurred because of COVID-19 disruption
- Teleworking
- Loss of revenue due to implementation of Forward Virginia guidelines
- Funds cannot be used for:
 - Payment of federal, state or local taxes
 - Expenses incurred before March 1, 2020

GORDONSVILLE GIVES BACK SMALL BUSINESS GRANT PROGRAM

Priority distribution if grant requests exceed available funding*:

- Closed during Phase III
- Closed during Phase II
- Closed during Phase I
- Partially open during Phase III
- Partially open during Phase II
- Partially open during Phase I
- Remained open but suffered financial loss

**PPP funded, or UI recipient, will be used as a tiebreaker and not an eliminating factor. However, funds cannot be requested for the same use.*

What you need to apply:

- Completed **Gordonsville Gives Back Small Business Grant** interest form found at this link *[link will be activated once program is approved]*. This is NOT the grant application. We will use the information captured in the interest form to notify you when the grant application opens on October 5, 2020. This is a required step in the process. The application will be an online form, backed by [Lenderfit](#), to which you must be electronically invited. The interest form generates your emailed invitation.
- IRS Form 941- most recent quarterly filing (employee count confirmation)
- 2019 federal tax return (or 2019 P&L if not filed)
- Bank statements (April to July 2020 and April to July 2019)
- List of qualifying expenses for which the grant will be used:
 - If past expense between March 1 and present, record of those expenses – example: receipt, canceled check, paid invoice
 - If expense has not occurred, provide an estimate/budget for expense to be completed by 11/30/2020

Application Process

1. You will receive an email from CIC inviting you to LenderFit, the software used to process applications.
2. You will submit your application.
3. CIC will review applications.
4. Locality will review and approve the list of suggested awardees.
5. CIC will make announcements.
6. You **MUST** submit your ACH (Automated Clearing House – electronic banking) information for funding.
7. CIC will fund you.
8. If you have a future renovation cost, Town of Gordonsville staff will check-in on or about November 30 to review your completion.

GORDONSVILLE GIVES BACK SMALL BUSINESS GRANT PROGRAM

NON-PROFITS

Eligibility:

- Must be operational as of March 27, 2020
- Must be based within the corporate limits of the Town of Gordonsville
- Must be a nonprofit (501(c) 3, 4 or 6)
- Must be operating legally
- Cannot be a for-profit or school
- Must show a revenue loss or expenditure increase due to COVID-19 health crisis
- If the non-profit has received other COVID-19 relief funding from the locality, the new grant request must be used for other expenses (provide documentation to confirm)

Amount awarded:

- Providing an ongoing community need: up to \$10,000
- Other non-profit: up to \$5,000

Funds may be used for:

- Personal Protective Equipment (PPE)
- Redesign of structure or operations to meet social distancing requirements
- Website, e-Commerce, or other digital forms of communicating to customers or clients
- Payroll or other operating expenses
- Rent or mortgage payments
- Debt incurred because of COVID-19 disruption
- Teleworking
- Loss of revenue due to implementation of Forward Virginia guidelines
- Funds cannot be used for:
 - Expenses incurred before March 1, 2020

Priority distribution if grant requests exceed funding available:

- Provided on an ongoing basis: food
- Provided on an ongoing basis: childcare
- Provided on an ongoing basis: healthcare
- Provided on an ongoing basis: other household needs (clothes)
- Did not provide a community need on an ongoing basis
- Non-profit has not received other funding from the locality related to COVID-19.

GORDONSVILLE GIVES BACK SMALL BUSINESS GRANT PROGRAM

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- IRS Form 990
- IRS Determination Letter
- 2019 P&L or bank statements (April to July 2020 and April to July 2019)
- List of qualifying expenses for which the grant will be used:
 - If past expense between March 1 and present, record of those expenses – example: receipt, canceled check, paid invoice
 - If expense has not occurred, provide an estimate/budget for expense to be completed by 11/30/2020

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QUESTIONS?

The Town of Gordonsville has contracted Community Investment Collaborative to assist with the implementation of the **Gordonsville Gives Back Small Business Grant** program. The Town retains oversight and management of the program.

For questions or assistance applying, please contact Deborah S. Kendall, Town Manager, at 540-832-2233 or via email to dkendall@gordonsville.org.



Recovery Grants Administration

CIC will work with the Town of Gordonsville to implement a grant application process that mirrors its recovery loan applications. The Town of Gordonsville will set the overall goals of the program and primary criteria for receiving the grants. CIC will:

- Assign 1-2 staff members to assist in the administration of the grant program including setup of application on online portal, providing assistance to applicants in submitting materials, establishing scoring and review system for applicants.
- Setup calendars for application period between September 1 and September 30, or as set by agreement with the Town of Gordonsville
 - 2-3 week application period
 - 1-2 week review period
 - 1 week to disburse grants
- Disburse grants to businesses awarded either and comply with all applicable tax and government reporting requirements. This includes flexibility to disburse grants via ACH or by check.
- Setup our online portal to collect reports from grantees 6 months and 1 year following the grant disbursement.
- Options: CIC completes review and scoring of applications (Option 1), CIC scores with assistance of Gordonsville staff (Option 1), or Gordonsville staff scores applications (Option 2)

Assumptions:

- 1-2 application periods
- Minimum grant size of at least \$2,500 per business
- CIC will waive the overall grant minimum since we have an existing relationship with Orange County.

Cost:

<u>Option</u>	<u>Cost</u>
Option 1 - CIC administers process with support from Gordsonville staff as described above	3% of grants (IE \$3,000 for \$100,000)
Option 2 - CIC sets up portal, disburses grants, provides process support to Gordsonville staff but CIC does <u>not</u> review or score applications	2% of grants (IE \$2,000 for \$100,000)

CIC Background

The Community Investment Collaborative (CIC) launched in 2012 with the purpose of helping under-resourced entrepreneurs start and grow small businesses. It's core program is a 16 week entrepreneur workshop of which graduates are eligible to participate in its mentoring program, receiving ongoing technical assistance, networking and market access opportunities. It also offers microloans of up to \$35,000 to businesses that have trouble accessing traditional sources of credit. Since 2012:

- 397 entrepreneurs have completed the 16 week program
- Prior to March, 2020: 75 business owners had borrowed over \$870,000 in microloans. CIC's has had a lifetime loss rate of 1.6% on those loans. We hope, but don't anticipate that rate to hold post pandemic.

General Loan Fund:

- Must be a graduate of our workshop OR have been in business for 6 months to apply for a loan
- Application, business plan with prior financials and cash flow projections are required
- CIC's Board of Directors appoints a loan review committee made up of 2 bankers, 2 serial entrepreneurs and a community representative to underwrite the loans.
- Terms range from 1 - 5 years
- Interest rates range from 6.75% to 9.75%. Lower rates to those who complete our workshop or bring qualified co-signers. Closing fees average \$200, lower for very small loans.
- Personal guarantees required on all loans, which means all payment history reported to credit bureaus.
- Security is taken against the business through UCC Filings either as general lien or specific to business assets.

COVID19 Pandemic Recovery Loans

- CIC has setup and is administering recovery loan funds for the City of Charlottesville, Albemarle County and Fluvanna County. We have also secured private investment from a funder for recovery loans.
- Recovery loans are either up to \$5,000 (Fluvanna) or \$10,000 (Charlottesville/Albemarle).

Business Grantmaking

- CIC has partnered with the City of Charlottesville over the years to make over \$100,000 in small grants. We disburse the grants as part of the City's Accelerating Charlottesville Entrepreneur Programs (ACE). The City had primary decision making ability related to the grants.
- CIC has partnered with the Charlottesville Area Community Foundation (CACF) to help make over \$270,000 in grants to businesses through the Heal Charlottesville Fund after the events of August 12, 2020. CACF had primary decision making ability related to the grants.

Sources of Loan Funds (general and recovery funds)

- City of Charlottesville - \$375,000 including \$150,000 for recovery related loans
- Albemarle county - \$230,000 including \$200,000 for recovery related loans
- Fluvanna County - \$45,000 including \$35,000 for recovery related loans
- U.S. Department of Agriculture - \$181,000 across several grants
- Private donors - \$325,000 including \$300,000 for recovery related loans
- Charlottesville Area Community Foundation - \$25,000