HURRICANE SANDY BUSINESS LOAN AND GRANT PROGRAM: PROGRAM GUIDELINES AND PROCEDURES

LEAD AGENCY: Department of Small Business Services

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1. DEFINITIONS

"Affiliate" shall mean an entity which shares common ownership or management with another entity or is otherwise related to such an extent that they have substantially identical business or economic interests.

"Applicant" shall mean an individual owner or business entity that has applied for a loan and/or grant under this Program.

"Application" shall mean the Business Recovery Loan and Grant Program Preliminary Assessment Form, Full Application, and any and all supporting documentation which must be submitted by the Applicant or added to an Applicant's file by program staff in order to be considered for assistance. The Application must be supported by documentation to ensure compliance with the Program's eligibility criteria.

"Commitment Letter" shall mean a written or emailed communication from SBS to an Applicant which advises the Applicant that the Application for a loan and/or grant has been approved, the amount and the terms of the approval and the funding process.

"Award Declination Letter" shall mean a written or emailed communication from SBS to an Applicant which advises the Applicant that the Application for a loan and/or grant has been declined, the basis of the declination, and the procedure for requesting reconsideration.

"Awardee" shall mean an Applicant which has received proceeds of a loan and/or grant under this Program.

"HSBLGP" shall mean the Hurricane Sandy Business Loan and Grant Program.

"CDBG-DR" shall mean the HUD Community Development Block Grant – Disaster Recovery.

"CRM System" shall mean the Oracle On Demand Customer Relationship Management (CRM) System (CRM) used by the NYC Business Solution Centers to manage and track applicant leads.

"DCMS Loss Verification" or "DCMS report" shall mean the SBA loss verification report.

"Disbursement Plan" shall mean the procedure adopted by NYLDC to disburse a loan and/or grant awarded under the Hurricane Sandy Business Loan and Grant Program. The Disbursement Plan shall be established at the time the loan and/or grant is approved.

"Eligible Business" shall mean an Applicant that meets all eligibility requirements for a loan and/or grant under this program.

"Eligible Loss" shall mean physical loss to moveable equipment and inventory or economic losses incurred on or after October 27, 2012 and resulting directly or indirectly from Hurricane Sandy.

"Global Cash Flow" shall mean net income as set forth in the Applicant's Federal Income Tax Return plus any interest, depreciation, amortization of intangibles, other non-cash expenses, excess owner

salaries/distributions and extraordinary expenses itemized in the tax return less business and personal debt service.

"HUD" shall mean the U.S. Department of Housing and Urban Development.
"Inventory" shall mean goods that a business sells to customers or clients.

"Movable equipment" shall mean vehicles[1], equipment, machinery, supplies, furniture, and tangible and non-tangible business assets that are not inventory and that cannot be considered affixed to a building and that, if removed from a building, would not affect the value of that building.

"NYLDC" shall mean New York Business Development Corporation-Local Development Corporation.

"NYCEDC" shall mean the New York City Economic Development Corporation.

"NYC BS" shall mean New York City Business Solutions

"Principal Owners" shall mean owners of 20% or more of the Applicant's business.

"Private Loans" shall mean any non-federal loans that are made in a commercial lending transaction for fair market rates with a willing borrower and willing lender, under standard commercial lending terms in which the borrower must repay the full amount of the loan. Private loans also include loans from Community Development Finance Institution lenders, shareholder loans, personal loans from family members, and other non-institutional lenders which entail commercial lending transactions at fair market rates.

Analysis on Changes in Working Capital and Cash Flow" shall mean a report prepared by the Loan Department to support an Application for approval. Analysis on Changes in Working Capital and Cash Flow t shall be prepared subsequent to the receipt of a complete Application and shall be consistent in form and substance with the approved form of Analysis on Changes in Working Capital and Cash Flow.

"SBS" shall mean the New York City Department of Small Business Services.

"Unmet Need" shall mean the losses to moveable equipment, inventory and/or working capital suffered by the Applicant as a direct or indirect result of Hurricane Sandy (collectively "Need"), less all duplicative assistance sources (to include insurance, FEMA, SBA, or other local, state, or Federal programs, or any other private grants, but not including Private Loans).

[1] Vehicles are only an eligible expense if it is necessary to perform the primary activity of a business (e.g. a vehicle for a food delivery business would be considered equipment).

2. PROGRAM SUMMARY

Nearly 95% of businesses impacted by Hurricane Sandy were small-and-medium-sized enterprises (SMEs), employing 50 people or less, and primarily concentrated in retail and service sectors. For these SMEs, storm damage was significant; survey reports suggest retail stores experienced thousands of dollars of lost sales for each day closed and estimated equipment and inventory damage losses in the hundreds of dollars per square foot. In response, the New York City Economic Development Corporation (NYCEDC) and the NYC Department of Small Business Services (SBS) launched a loan and grant fund (Hurricane Emergency Loan Fund) to address immediate business needs in the days following the storm. The program offered maximum loans of $25,000 with matching grants of up to $10,000. This program will aid businesses that are currently in need of low- or no-interest capital with loans and/or grants for working capital, movable equipment or to finance inventory.

Funds available through this program will not exceed **$48 million** from the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) Program. Funds not used for administrative and planning purposes allocated for this activity under the HUD-approved CDBG-DR Action Plan will be made available to fund additional loans and/or grants to SMEs. The activities funded under this program must meet at least one of the following HUD national objectives:

- Low- and Moderate-Income (LMI) Area Benefit;
- Low- and Moderate-Income (LMI) Limited Clientele (Microenterprises);
- Low- and Moderate-Income (LMI) Job Creation/Retention;
- Urgent Need

The Hurricane Sandy Business Loan and Grant Program (HSBLGP) will be administered by SBS. NYBDC - Local Development Corporation (NYLDC) will operate the program as a sub-recipient to provide underwriting, awarding, and servicing for loans and grants offered through the program. NYC Business Solutions (NYC BS), a component of SBS, will provide intake and Application assistance on behalf of Applicants.

The HSBLGP will conclude once all CDGB-DR funds allocated for this activity have been expended.

3. OVERALL PROGRAM DESIGN AND REVIEWS

3.1 Total Amount: $42 million

3.2 Program Awards: Grants and loans of up to $1,100,000 will be made available to Awardees. For the first $100,000 of demonstrated unmet need, Applicants will be able to qualify for grants without matching debt. For Applicants demonstrating need between $100,000 and $1,100,000, businesses will qualify for 1:1 matching loans and grants above $100,000. Above $100,000, the loan portion of the 1:1 match for loans and grants can be filled by HSBLGP loans, U.S. Small Business Administration (SBA) loans, or other Hurricane Sandy-related debt from an institutional or government lender incurred[2] since October 29, 2012, up to $500,000. Businesses that received funding under the City's previous loan and grant program are eligible to apply to the HSBLGP. Applicants who applied to the HSBLGP and Awardees who have received a Commitment Letter or disbursements prior to July 1, 2014 will be eligible to reconfigure their award. Applicants who were declined for awards based on cash flow position will be reconsidered (see 4.15.03: Second Look Policy).

3.2.01 Severe Need Awards: To ensure that HSBLGP adequately and appropriately addresses Applicants with the greatest need, Applicants are considered for grant-only awards up to $1,100,000 and 1:1 matching loans to grants above that amount. Above $1,100,000, the loan portion of the 1:1 match for loans and grants can be filled by HSBLGP loans, U.S. Small Business Administration (SBA) loans, or other Hurricane Sandy-related debt from an institutional or government lender incurred since October 27, 2012. Awards will be determined by the City according to the Severe Need Criteria outlined below:

- Ability to demonstrate that the business anchors significant economic activity, above and beyond employment at the business's location (e.g., through suppliers, distribution partners, etc.,) particularly to benefit LMI individuals or areas; or
- Number of jobs at risk[3] as a share of pre-Sandy employment (i.e., more than 30%); the type of jobs at risk, including wage and benefits, will also be a factor; and
- All other program eligibility and underwriting standards are applicable.

Category I	Category II
▪ Grant-only awards up to $100K ▪ Any unmet need above $100K receives 1:1 matching loan and grant for a total maximum award of up to $1.1M	▪ Grant-only awards up to $1.1M ▪ 1:1 matching loans and grants above $1.1M

3.2.01a Significant Severe Need Award Sizing: For applicants that qualify for Severe Need and demonstrate an unmet need of more than $2 million, SBS will size the Applicant's award based on one

[2] Any duplicative debt *offered* that is counted against the Applicant in the Duplication of Benefits analysis will also count as a match, including declined and canceled loans based on SBS and/or sub-recipient underwriting determination that Applicant warrants additional grant funds consistent with HUD guidance on SBA declined loans.
[3] Jobs at risk refers to jobs retained or created.

or more of the following: the number of jobs created/retained; total employees assisted; and available funding in the HSBLGP program. SBS will provide a document in the Applicant's file regarding the analysis and award size. Since award sizing for applicants that receive an award of larger than $5 million depends partially on jobs created/retained and employees supported, SBS may request that NYLDC include recapture provisions in any Grant or Loan Agreement related to creating and retaining jobs in New York City over a period of time not to exceed ten years.

3.2.02 Loan Terms:
Term of loans greater than $5,000 will be set at five years (with the possibility to extend to seven years);

- Loans will accrue interest at a rate of 1% per annum;
- Loan repayment will be interest only for the first three months then principal and interest payments sufficient to amortize the loan over the remaining term. For Loans under $5,000 the monthly payment will be a minimum of $75.00 and there will be no interest only period. The $75.00 payment will continue on a monthly basis until all principal and accrued interest is paid in full, as such the loan repayment term will vary depending on the amount of the loan.

Award Eligibility: HSBLGP provides funds to eligible Applicants on a first-come, first-served basis, with priority given to businesses that demonstrate a benefit to low- and moderate-income populations. The City reserves the right to target outreach by geography as necessary to address imbalance in program delivery or similar factors. All Awardees shall satisfy Core Eligibility requirements and use awards for Eligible Activities and Uses.

3.2.03a Core Eligibility:

- The Applicant business is a for-profit business currently operating (or if closed, will be operating) in New York City
- The Applicant business is a small business[4] as defined by the SBA in 13 CFR Part 121
- The Applicant has demonstrated that the business, or at least one of their NYC business locations, has experienced loss, damage and/or interruption as a result of Hurricane Sandy
- The Applicant business and affiliated businesses with the same EIN are not on the Federal debarred list
- The Applicant is not a private utility[5]

Projects funded through this program will be eligible under 24 CFR 203(b), Special economic development activities, or Microenterprise under 24 CFR 570.201(o) so long as the projects proposed do not include an ineligible element as described in 24 CFR 207(a).

3.2.03b Eligible Activities and Uses
Funds provided to businesses under this program may be used for moveable equipment (where no installation is required)/inventory, and working capital such as:

[4] Affiliate businesses that each have a separate EIN number and which are not eligible or are not part of the application for assistance through this Program will not be considered when verifying that the Applicant is a small business as defined by the SBA.
[5] Please alert the Director or Executive Director of Business Recovery if an Applicant indicates they may be a private utility as defined on the Preliminary Assessment Form.

- Lease and/or mortgage payment
- Marketing costs and quotes
- Utility bills
- Business taxes
- Payroll for staff
- Insurance *(e.g. property insurance, liability insurance, worker's compensation)*
- Accounts Payable
- Trash removal

Funding received under this program may not be used for renovation, repairs, or improvements to damaged buildings or the purchase of any equipment that must be affixed to a building, and may not be used for the repayment of government loans or loan refinancing. Awardees cannot use funds for reimbursement of equipment or inventory purchases, or to make up for pre-storm working capital expenses. Awardees are prohibited from using loan and/or grant funding for any of the following ineligible expenses: purchasing alcoholic beverages; relieving bad debts; paying for staff entertainment and related expenses; settling fines, penalties or damages resulting from violations; paying for lobbying; suing the Federal Government; and recovering from costs due to idle facilities or capacity (costs of maintenance, repair, housing, rent, insurance, interest, taxes and depreciation).

3.3 National Objective Standards: NYC BS will ensure that Applicants meet one of the following National Objectives:

- Low- and Moderate-Income Limited Clientele (Microenterprise)
- Low- and Moderate-Income Limited Area Benefit
- Low- and Moderate-Income Job Creation/Retention
- Urgent Need

Priority will be given to businesses that can meet an LMI national objective by either providing an LMI area benefit or by directly benefiting LMI persons. To be LMI, a household - or in the case of jobs created or retained, the employee's wages - must be at or below 80% of median area income[6]:

Extremely Low-Income	Low-Income	Moderate-Income
$0 - $17,650	$17,651 - $29,400	$29,401 - $47,000

There are several ways that the City can achieve an LMI national objective with this program as outlined below:

- Low- and Moderate-Income Limited Clientele (Microenterprise)
- Low- and Moderate-Income Limited Area Benefit
- Low- and Moderate-Income Job Creation/Retention

In order to meet program goals surrounding LMI assistance, the City will monitor the portfolio of loans and grants regularly. If less than 51% of funds have been approved for businesses that have qualified for a National Objective benefiting Low- and Moderate-Income populations, the Director of Business Recovery will instruct NYC BS staff to prioritize those applications that qualify under one of these

[6] Updated LMI income limits provided by HUD effective 12/18/2013.

National Objectives. Of those that are prioritized, they should be processed in the order in which the Full Application was received.

Once 51% of funds or greater have been approved for businesses that have qualified for a National Objective benefiting Low- and Moderate-Income populations, staff will return to processing all applications in the order in which they were received.

3.4 Environmental Review: The obligation of HUD funds requires that this program undergo environmental review as defined within 24 CFR Part 58-Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Accordingly, the environmental review of the program was conducted under the supervision of the Responsible Entity for the CDBG-DR funds, the NYC Office of Management and Budget. The initial step was to determine the appropriate level of review for the program, and it was found that the program was determined to be *categorically excluded* inasmuch as the program's purpose and activities are congruent with activities defined under 24 CFR 59.35 Categorical Exclusions and specifically per 24 CFR 59.35(b)(4):

> *(4) Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;*

3.5 Procurement: SBS will comply with the requirements of 24 CFR 85.36 and, if procured by NYCEDC on behalf of SBS, 24 CFR 84.40-48. All procurements will also comply with Federal Register Notice requirements applicable to this CDBG-DR appropriation. SBS and NYCEDC will work with the Office of Management and Budget to ensure eligibility and maintain a repository of procurements and contracts on the City's website as required by HUD's March 5, 2013 Federal Register Notice.

3.6 Program Income: Any and all collection of payments from NYBDC-LDC to SBS will be considered Program Income. These are to include loan payments – inclusive of principal and interest – from the Client, as well as any loan or grant repayments as a result of program non-compliance. Payments received must be placed in a non-interest bearing account until paid to SBS. NYBDC-LDC will provide and report these payments on a monthly basis to SBS. SBS Accounts Payable will report the payments on the City's Financial Management System. OMB's Disaster Recovery Fiscal team will monitor these repayments and report accordingly to HUD as Program Income. The City reserves the right to expend Program Income funds for citywide purposes.

3.7 Liquid Fuel Supply Chain: For eligible small businesses in the liquid fuel supply chain, Awardees will be required to describe and adopt measures that mitigate potential impacts to the liquid fuel supply chain during future disasters. The Applicant will be required to submit a description of their mitigation measures they plan to adopt to their SBS Account Manager during Application Intake. Risk mitigation measures should include processes or methods to ensure that fueling stations along critical evacuation routes remain functional, or quickly restore functionality, during power outages. This requirement applies to any eligible small business in the liquid fuel supply chain that applies for CDBG-DR assistance through this program.

4. PROCESS & PROCEDURES

The following are definitions referenced throughout this section. These definitions serve as a guide for interfacing with the applicant's file on the Oracle on Demand Customer Relationship Management system (CRM). NY BS staff will update CRM within three business days of having a conversation or meeting with an Applicant.

CRM Data Entry Guide for BRL&G Program	
Lead Stage. A lead is an inquiry to the program and is a business owner who has not yet turned in the Preliminary Assessment Form.	
General Definition	**CRM**
# of total leads assigned	All lead statuses combined
# of customers not contacted	# of leads in qualifying status
# of customers contacted but not yet reached	# of leads in qualified status
# of customers not interested (non-responsive after 15 business days)	# of leads in archived status
# of loan ineligible customers (do not meet the eligibility questions on PAF)	# of leads in rejected status
# of customers eligible	# of leads in converted status
Service Request Stage. A service request is a business owner who has turned in the Preliminary Assessment Form and passed the initial eligibility review. The business owner is actively submitting documents.	
General Definition	**CRM**
# of customers in packaging	Total # in service request status (intake and assessment + loan planning and packaging
# of customers with a PAF and in the process of submitting other documentation	Total # in intake and assessment
# of customers with at least 80% of documents submitted to account manager	Total # in loan planning and packaging
Underwriting Stage	
General Definition	**CRM**
# loan packages submitted to NYLDC	referral to lender
# applications disbursed	closed/won (after formal decision is communicated to applicant)
# applications declined/ineligible. *Ineligible is no unmet need, declined is non-viable business, or due to credit issues.*	closed/lost (after formal decision is communicated to applicant)
# customers withdrawn from the program due to unresponsiveness during underwriting	# applicants in closed/withdrawn status

4.1: Program Education

Responsibility of NYC BS

The first step in assisting any Applicant seeking financing is to educate the Applicant on HSBLGP and connect them with NYC BS Account Manager.

NYC BS will maintain information about the program on its website and in hard copy in order to provide guidance about how to apply, how to schedule a meeting with an NYC BS Account Manager, and provide Applicant background materials. As necessary, NYC BS staff will deploy mobile staff and visit businesses directly if a potential Applicant cannot physically access a NYC BS Center. All Account Managers are mobile and can make offsite visits if that is more convenient for an Applicant's schedule. Centers are also accessible for people with disabilities and located close to major subway lines. Live translation services are also available for Applicants that are not fluent in English

4.1.01 Inquiry Response: Answer inquiries about the program with information about the application process, basic terms and next steps. An account manager or client services will respond to these inquiries and record all conversations on CRM. When an individual makes an inquiry, they become a lead on CRM. In the event that Applicants ask for guidance on how to appeal their SBA decision, NY BS staff will not provide guidance regarding SBA appeals. Applicants may appeal SBA assistance and must inform their Account Manager of changes on award status.

4.1.02 Threshold Review: Discuss program eligibility requirements with Applicant. Send a Preliminary Assessment Form (PAF) to Applicant in order to determine eligibility. NYC BS staff provides guidance on whether a business appears eligible. If a business does not qualify (e.g. is a non-profit business or does not have a business location in NYC), BS staff can refer business owners to alternative programs.

4.1.03 Access to Application and Program Materials: Applicant can access the Frequently Asked Questions, PAF (Appendix 1) and Document Checklist (Appendix 2) online. For Applicants with limited access to internet, hard copies are also available at Business Solutions Centers. A copy of the most up-to-date version of the HSBLGP Program Guidelines and Procedures is also available upon request.

4.2 Core Eligibility Review

Responsibility of NYC BS

The second step in assisting an Applicant is having them complete the Preliminary Assessment Form (PAF) and review their Core Eligibility.

4.2.01 Complete PAF: Applicants begin the application process by completing the PAF. If needed, an Account Manager will assist the Applicant in completing the PAF.

4.2.02 Contact an Account Manager: Once the Preliminary Assessment Form is complete, Applicants can contact an NYC BS Account Manager by completing the "Contact an Account Manager" fillable web form available on the NYC BS website or visiting a NYC BS Center.

- Web forms submitted through the NYC Business Solutions website will be relayed to a specific NYC Business Solution Center depending on the zip code indicated by the Applicant. This will be performed through CRM.
- Applicants may also visit Business Solution Centers unannounced and, in the event of an applicant with difficulty accessing or traveling to a Center, Center staff will travel to Applicants to provide assistance. Live translation services are also available for Applicants that are not fluent in English.

4.2.03 Preliminary Eligibility Review: Based on the response in the PAF, NYC BS staff will determine if a business appears to be eligible for this program, or advise them of additional information they need to provide to demonstrate eligibility.

To determine threshold eligibility, NYC BS Center Staff will check that that:

- the Applicant answered yes to all eligibility questions in *PAF Section I: Eligibility Checklist*;
- the Applicant's Preliminary Assessment Form is legible and signed;
- the Applicant includes a New York City address to indicate location of impact;
- The applicant business (and affiliated businesses with the same EIN) and/or individuals if sole proprietors are not debarred;

Upon receipt of the PAF, BS Staff will save the PAF on SBS's shared drive (the "S: Drive") in a folder with the business name. All additional documents will be scanned throughout the packaging process.

4.2.03a Eligible Applicants: If the Applicant meets the eligibility requirements, NYC BS staff will:

- Provide an overview of the HSBLGP, loan repayment terms, requirements, etc.
- Schedule a meeting with the Applicant
- Review the Preliminary Assessment Form, FAQs, and Document Checklist with Applicant
- Convert to a "Service Request" designation in CRM
- Borough Coordinator will send a "Welcome to the Program" letter (See Appendix 19 for the "Welcome to the Program Letter" template) and copy the account manager, who will record this action in CRM. At the Borough Coordinator's discretion, letters may be sent before receipt of the PAF.

4.2.03b Ineligible Applicants: If the Applicant does *not* meet the above threshold requirements, NYC BS staff will:

- Provide a HSBLGP Ineligibility Letter (Appendix 4) that includes an overview of the process for providing additional information.
    - All ineligibility letters are saved in the client's file on the S: drive.
    - An Applicant that is deemed ineligible will have, at a minimum, one of the following pieces of documentation in its file, depending on the reason for ineligibility.
        - Not a small business: NAICs code search on the Full Application will demonstrate that the business is too large. The application does not need to be signed.
        - Debarred: Documented through a SAM search and any additional explanation needed. Please use the legal business name the New York State Division of Corporations, State Records and UCC Corporation and Business Entity Database. If it is not possible, the Account Manager should request a third part document showing legal business name (such as organizational documents, property tax records, etc.).

    - Not able to prove storm damage: PAF, any documentation that the Applicant has submitted in an attempt to demonstrate storm damage; e.g. no business location in NYC or not in existence before the storm.
- Send ineligible packages to the Borough Coordinators, who will then forward it to the Quality Assurance Team, for compliance review.
- After the file is deemed compliant by the Borough Coordinators, BS staff will record Applicant as "rejected" on CRM and send out the ineligibility letter.

If the Applicant provides additional materials that demonstrate their eligibility, the lead will be re-activated.

4.2.03c Unresponsive Leads: If NYC BS staff members have not received a response to their last communication to the Applicant after 15 business days, the Applicant will receive a call and an e-mail from SBS. This activity is noted in CRM.

If the Applicant does not respond after the "Status Update Letter" for an additional 15 days, NYC BS staff will "archive" the Applicant's entry in the CRM system and note the reason why the case is being archived. Archived entries may be re-opened if the Applicant responds to NYC BS communication.

4.2.03d Co-applicants
If a business owner has two or more businesses that benefit one another, have the same ownership structure and share expenses, they will be considered co-applicants and will both be party to any award agreement, even if they have separate EINs. Co-applicants must provide sufficient documentation to the program underwriter, NYLDC, to demonstrate that their expenses were not mutually exclusive prior to October 29, 2012. If NYLDC determines that the two companies are financially dependent, the Working Capital and Cash Flow memo will take into account the needs of both entities. This will enable applicants to effectively spend HSBLGP funding and ensure that all necessary procedures are followed.

Co-applicants follow these Policies and Procedures and work off of the HSBLGP Document Checklist. Co-applicants must pass the same core HUD eligibility standards and demonstrate an unmet need.

4.3 Proof of Loss, Damage and/or Interruption

Responsibility of NYC BS

The third step is proving loss, damage and/or interruption from the storm. Account Managers should collect the documentation discussed below. Using this documentation, enter the appropriate information the "General" tab of the Full Application.

4.3.01 Proof of Loss, Damage and/or Interruption: Ensure that the Applicant has provided one of the following documents as proof that the business or one of its NYC locations experienced loss, damage and/or interruption as a result of Hurricane Sandy. Applicant must demonstrate both that that the location experienced damage, loss or interruption and that the business was in that location. In the case of an affidavit, the Applicant must provide proof that they were in a damaged location (such as a utility bill).

- Complete copy of an official comprehensive proof of loss statement for each business location affected from at least one of the following sources:

    - U.S. Small Business Administration (SBA) *For the SBA, the loss verification report is NOT a requirement; the e-mail or tracker data from the SBA is sufficient for proof of loss, damage and/or interruption.*
    - Private insurance carrier.
    - Federal Emergency Management Agency (FEMA).
    - Public Insurance Adjuster licensed by the NYS Department of Financial Services
- Copy of all utility bills documenting service outage resulting from the storm.
- Certification from independent third party source, such as City data on service outages (e.g., ConEd, LIPA, National Grid), business location in Sandy Inundation Area, etc.
- Photos of damaged equipment or inventory that are detailed enough to determine that damage has been sustained and that it can reasonably be determined that the items belong to the applicant (if not detailed enough, will require additional documentation of business location).
- If the Applicant cannot provide any of the above documentation, the Applicant has completed, signed, and dated the Affidavit Verifying Business Interruption form (Appendix 18). Affidavits must be accompanied by evidence, such as a news article, or another independent source that discusses the damages experienced by that business, of loss due to the storm to demonstrate impact.

4.4 Determination of Need for Inventory and Moveable Equipment

The fourth step is determining the inventory, moveable equipment need resulting from Hurricane Sandy. Account Managers should collect this documentation and enter the inventory and moveable equipment need in the Duplication of Benefits "DOB" tab of the Full Application.

4.4.01 Inventory and Moveable Equipment: In addition to showing impact, the applicant must show that they lost inventory and/or moveable equipment as well as being damaged by the storm. To determine total need for inventory and moveable equipment, the Applicant is required to provide:

- A list of moveable equipment and/or inventory to be replaced/repaired, including cost (does not need to be accompanied by claims, merchant quotes, etc).
- Proof applicant owned items before the storm, such as:
    - Invoices
    - Receipts
    - Prior year's tax returns/ depreciation schedules
    - Insurance claims
    - Detailed photos
    - Detailed inventory
- If an Applicant cannot provide documentation demonstrating the above, the Applicant can complete the Affidavit Verifying Equipment and Inventory Loss (Appendix 17). Affidavits must be accompanied by additional evidence, such as news articles, power outage maps or inundation area maps, of proof of ownership and item loss due to the storm to demonstrate impact on the business location.
- A schedule of items the applicant will be purchasing, including the proposed vendor and cost.

4.4.01a Vehicular Evaluation: Valuation of damage to vehicles will be assessed in accordance with Kelley Blue Book's evaluation. The description of the vehicle must match the criteria used to determine a value. For example, the color, mileage, powertrain, etc. of the applicant's car must correspond with the valuation determined by Kelley Blue Book. Vehicular evaluation is relevant only to the Applicant; if Applicant uses the car for transportation purposes – and does not store, sell, or otherwise make use of the care – the car must be registered with either a commercial or Taxi and Limousine Commission license.

4.5 Calculation of Assistance Received

Responsibility of NYC BS

The fifth step is determining the inventory, moveable equipment and working capital assistance received as a result of Hurricane Sandy. NYC BS Account Managers will collect documentation of all assistance provided to the applicant, verify that assistance, and enter it into the Duplication of Benefits "DOB" tab of the Full Application. Financial documents and other requested information will be provided to NYLDC, and NYLDC will provide an Analysis on Changes in Working Capital and Cash Flow with the working capital change for NYC BS to consider a working capital need to include in the DOB table. The documents to be sent to NYLDC include:

- List of related companies (if applicable)
- Complete copy of 2010, 2011 and 2012, 2013 business federal, New York State and New York City income tax returns, including all schedules and attachments (tax return availability may vary depending on businesses age)
- Interim financial statements dated within 60 days of submission of this application
- All applicable debt schedules and projections
- Copy of a voided check from business account
- For all principal owners identified by the Applicant, the Applicant has submitted the following documentation:
  - Complete SBA Form 413
  - Complete 2010, 2011 and 2012 and 2013 personal income tax returns

The NYLDC calculation and packaging can occur simultaneously. NYC BS staff will also sign the Transmittal Coversheet at this point to ensure all appropriate items are sent to NYBDC (Appendix 10).

4.5.01 Verify Assistance Provided to Applicant: NYC BS staff shall verify all assistance (both duplicative and non-duplicative) provided to the Applicant that is reflected in the Application including insurance, SBA, grants, private loans, shareholder loans, CDFI loans and grants, and any other Federal, State, Local, or private assistance.

4.5.01a SBA Assistance: Please refer to Appendix 16 regarding the calculation of assistance received from the SBA.

4.5.01b Forced SBA Payoff: Account Managers can credit duplicative assistance (such as insurance payouts) required to pay off the SBA as non-duplicative in the DOB table. Credit for SBA payoff may only be provided after a review of the documentation supplied by the Applicant. Acceptable documentation includes a letter from the SBA stating that assistance was required to be paid to the SBA and the amount of funds used to pay off the loan. The amount listed in the letter should be the amount of credit provided to the Applicant.

NOTE: Credit will not be given for Forced SBA Payoff if it was a voluntary payoff made by the Applicant. If there is no documentation from the SBA indicating a payoff is required, then this is considered a voluntary payoff and will not be an allowable credit.

4.5.01b Non-SBA Assistance: For non-SBA assistance, NYC BS staff must contact the assistance provider (e.g. by phone, e-mail, or mail) and verify the purpose, status, nature (loan, grant, or forgivable loan), and amount of the business's claims. If an Applicant has flood or business insurance listed as an expense in any

documentation provided, including the Full Application, BS staff must verify with the insurance company that the Applicant did not receive an award. NYC BS staff does not need to verify car or worker's compensation insurance. If NYC BS staff are unable to reach an assistance provider, at least three (3) attempts to make contact must be made and the dates and format of contact must be documented within the Applicant's file. If an assistance provider indicates a different amount than indicated by the Applicant in the signed Application, NYC BS staff will clarify with the Applicant the assistance indicated by the provider, correct the DOB in the full application, and ensure the correct amount is indicated to NYLDC.

4.5.01c Verify Home-Based Business Assistance: If an Applicant is identified by NYC BS staff as a home-based business (i.e. the Applicant's business operates at his/her household address), then NYC BS staff will contact FEMA to verify whether the assistance that the Applicant is requesting is duplicative.

4.6 Working Capital Change Calculation

Responsibility of SBS and NYLDC

The sixth step is determining the working capital change of the Applicant. The Program Policies have adopted a methodology in which to calculate the working capital change experienced by the Applicant, as described below and in the Identifying Changes in Working Capital and Cash Flow memo found in (Appendix 14). NYLDC will calculate the working capital change experienced by of the Applicant to factor into the unmet need, which will be determined by NYC BS (by subtracting the assistance received from NYLDC's total calculated change). All applications shall be reviewed by NYLDC as soon as possible after receipt to ensure all documentation necessary for their working capital determination is included. In the event an application does not include documentation needed, NYLDC may, at its discretion request that NYC BS to follow up with the Applicant. Any documents that NYLDC collects should also be provided to NYC BS. In either case, the assigned NYC BS account manager shall be promptly advised of the items necessary to complete the application and should be copied on all communication to the Applicant. NYLDC shall maintain a Daily Tracking Report (Appendix 6) that indicates the status of each application. These reports will be sent to SBS daily.

4.6.01 Calculating Working Capital Change for Cash Flow Positive Businesses*:* NYLDC will calculate the total working capital change per the Identifying Changes in Working Capital and Cash Flow memo (Appendix 14). NYLDC will provide this information to SBS in an Analysis on Changes in Working Capital and Cash Flow (Appendix 8) to include in the DOB table in the Full Application.

4.6.02 Calculating Working Capital/Cash Flow Change for Closed Business: If an Applicant closed their business within days of Hurricane Sandy and has not re-opened their at the time of submitting complete HSBLGP documentation, the Applicant must demonstrate on-going working capital expenses following the date of the Hurricane Sandy. The working capital determination provided will be capped by the business's ability to produce working capital expenses post-October 29, 2012, up to the award determined by the NYBDC calculation of working capital change and cash flow deterioration. In order to sign the Loan and Grant Agreement, and receive the first disbursement of funds, the Applicant must demonstrate that the business continued to incur working capital expenses post-October 29, 2012.

If a business is closed, SBS issue a Commitment Letter for the Applicant; however, the Applicant will not be provided with a Loan or Grant Agreement for signature - and no funds will be disbursed - until the Applicant has provided evidence that they intend to re-open, such as a signed lease, a conditional lease or a business plan that demonstrates that with HSLGP funding, the Applicant will resume its operations.

4.6.03 Calculating Working Capital/Cash Flow Change for Startup Businesses: HSBLGP will not to fund working capital needs for startups (less than three months old before the storm) that did not suffer physical losses. It is very challenging to justify that working capital deterioration is due to the storm but not to startup cost

4.7 Unmet Need Determination

Responsibility of SBS and NYLDC

The seventh step is determining the total unmet need of the Applicant, based on the remaining need and assistance received. NYLDC will calculate the change in working capital only per the policies outlined in Appendix 14 and provide this information in the Analysis on Changes in Working Capital and Cash Flow. SBS will use this information to finalize the DOB tab in the Full Application.

4.7.01 Unmet Need Definition: Unmet Need is determined by identifying the total change in working capital, moveable equipment and/or inventory as a result of Hurricane Sandy, minus any duplicative assistance received.

4.7.02 Determining Duplicative Assistance: Duplicative assistance is defined as any assistance or benefit received by an Applicant that was intended to address a need for working capital, moveable equipment and/or inventory as a result of Sandy: The following items are duplicative:

- All grants, including those from CDFIs, are duplicative.
- Insurance company's paid or pending claims with a determinable dollar amount
- SBA disaster relief assistance offered, received or pending
    - If an Applicant was approved for an SBA loan and accepted any portion of the award providing duplicative assistance, the full approved SBA loan amount will count in the Duplication of Benefits
- Assistance from a charity or private grant provided for working capital, moveable equipment and/or inventory (does not include assistances awarded for a different purpose)
- Assistance provided for "general recovery purposes" will be counted against the category in which the applicant spent the assistance on, assuming receipts are provided. If receipts are not provided, the assistance will be considered against the category in which the applicant has an unmet need. If the applicant is only applying for working capital, general recovery will be categorized under that category.
- If the Applicant used assistance provided for a purpose that HSBLGP addresses (replacement of inventory and moveable equipment or for working capital) for an ineligible purpose, then the assistance will count against the intended purpose (as stated by the award provider, award letter or public documents) of that assistance and not the actual use of the assistance by the Applicant.

Any financial assistance or benefit provided to an Applicant during the underwriting process and/or subsequent to receiving HSBLGP assistance for the same purpose that would reduce the Unmet Need of the business for that purpose must be reported to NYCBS. If the assistance or benefit is deemed to be duplicative to CDBG-DR assistance, the business must repay the amount of the duplicative assistance back to the City if already awarded HSBLGP funds. If the assistance or benefit is deemed to be not duplicative, and *increases* the Unmet Need of the business, the Applicant may re-apply to the program for additional assistance if already awarded Program funds (see 4.15.02 Re-Application Requests).

4.7.03 Determining Non-duplicative Assistance: The following forms of assistance are not duplicative:

- Loans from private banking institutions and community development financial institutions
- Assistance provided for multiple purposes (i.e. equipment and leasehold improvements) or a general recovery purpose shall not be counted as duplicative if the Applicant can provide receipts that demonstrate that assistance was used for a different, eligible purpose (for which HSBLGP does not provide assistance) under that award.

4.7.03a Non-duplicative SBA Assistance: The policy for declined SBA assistance described in Appendix 16 largely reflects guidance provided by HUD on July 25, 2013 titled "HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance," in conjunction with the revised "OMB Circular A-87" released on May 10, 2004 and/or 2 CFR 200, Uniform Administrative *Requirements, Cost Principles, and Audit Requirements for Federal Awards* (whichever is in effect on the current date).

4.7.04 Calculating Unmet Need for Inventory and Moveable Equipment: To calculate unmet need for inventory and moveable equipment, NYC BS Account Managers have collected all documentation certifying the total estimated cost to replace inventory and moveable equipment that was damaged by Sandy, in addition to documentation certifying ownership of the moveable equipment and/or inventory prior to Sandy and proof that it was damaged or destroyed as a result of Sandy. Inventory and equipment must be like-kind replacements, but do not need to be exact duplicates, or in the same condition or from the same year. NYC BS will then subtract the duplicative assistance received for inventory or moveable equipment to determine the remaining unmet need. NYC BS will include this information in the DOB table in the Full Application.

4.7.05 Calculating Unmet Need for Working Capital: NYLDC will calculate the change in working capital as described in Appendix 14. NYLDC will then provide this information to NYC BS, who will consider this analysis, subtract duplicative assistance and include the total unmet need in the DOB table.

4.7.06 Accounting for Duplicative Assistance for Post-Sandy Cash Flow Negative Businesses: In cases where a Hurricane Sandy affected business goes from cash flow positive prior to the storm to cash flow negative after the storm, SBS subtracts duplicative assistance from the total working capital loss (a sum of cash flow deterioration and working capital change). This process applies only to situations where there is cash flow deterioration. This step allows SBS to be consistent with NYBDC LDC's underwriting and properly account for the business's losses (because NYBDC LDC previously accounted for reported duplicative assistance and normalized their cash flow chart based on assistance that an applicant claimed on their financial records for the year). If SBS did not add back duplicative funding for cash flow negative businesses, then the Applicant's unmet need would not accurately portray their full losses. Further, this process eliminates the occurrence of businesses being penalized for being cash flow negative as compared to non-cash flow negative businesses.

Duplicative assistance is added back up to the absolute value of the deficit incurred by the business. For example, if a business has a cash flow change in the pre and post-storm periods, received $20,000 working capital assistance from the SBA and the cash flow analysis shows a deficit of $15,000 incurred after the storm, then SBS will add up to the $15,000 to the business's working capital award. In this case, if the cash flow deterioration is determined to be $60,000 by BDC, the working capital total need is calculated as $75,000 ($60,000+$15,000). However, if the post storm deficit incurred by the business is actually greater than $20,000, then the working capital total need is $80,000 ($60,000+$20,000).

4.8 Necessary and Reasonable Determination

Responsibility of SBS

The eighth step is determining the award amount to be provided to the Applicant based on the final unmet need for working capital, moveable equipment and inventory.

4.8.01 Necessary and Reasonable Criteria: Once unmet need is determined, NYC BS evaluates whether it is "necessary and reasonable" using the criteria below:

- An Award will generally be considered "necessary" to the extent that the funds awarded are addressing a loss that resulted from Hurricane Sandy (as determined in 4.2).
- An Award will generally be "reasonable" to the extent that it appears that the Applicant has operated its business in a fashion that is compliant with laws, rules and regulations regarding employment and taxation, and, in the case of a loan, has demonstrated a reasonable ability to repay.

4.8.02 Grant-Only Necessary and Reasonable Determination: Applicants that will receive a grant-only award because they 1) have an unmet need of up to $100,000, 2) can demonstrate that they qualify for Severe Need and have an unmet need of up to $1,100,000 or 3) have an unmet need of more than $100,000 but have matching private debt, will qualify for an award provided that the Applicant has:

- Met the program eligibility requirements;
- Demonstrated unmet need from losses that resulted from Hurricane Sandy; and
- Has operated in a fashion that is compliant with laws, rules and regulations regarding employment and taxation.

4.8.03 Loan Necessary and Reasonable Determination: Applicants that have an unmet need of greater than $100,000 may qualify to have their remaining unmet need filled through a 1:1 match for loans and grants up to $1,100,000, provided that the Applicant has met the program eligibility requirements, has unmet need from losses that resulted from Hurricane Sandy and has operated in a fashion that is compliant with laws, rules and regulations regarding employment and taxation.

To qualify for an Award of more than $100,000 with a 1:1 matching loan and grant component, Applicants must demonstrate that they have a reasonable ability to repay debt if they can demonstrate one of the following:

- Has a credit score of 600 or above as an average for owners with greater than 20% ownership as indicated in the Applicant's tax returns[7] (NYLDC will request a credit report and provide the score in the Analysis on Changes in Working Capital and Cash Flow); or
- Has existed and operated in NYC for 3 years or more (the applicant's tax return can be used to demonstrate they have been open for more than three years);
- Was awarded SBA assistance, given the strict criteria that SBA approves applicants through their programs; or
- Has demonstrated an ability to repay based on a cash flow analysis by NYLDC.

[7] The HSBLGP accepts an average of the personal credit scores of principal business owners as an indication of the credit of the company. Many small businesses do not have "business" credit scores, and an average of the company's principal owners is a more reliable – and more consistent and fair – metric to determine the reasonable ability of a company to repay a loan.

NYC BS will determine whether the Applicant meets one of the first three Necessary and Reasonable criteria. This may be noted either before or after the receipt of NYLDC's Analysis on Changes in Working Capital and Cash Flow. NYC BS will then calculate total unmet need. If the Applicant has a larger unmet need, NYC BS will determine whether they are eligible for Severe Need. If they qualify for Severe Need and are eligible for grant-only funds up to $1.1M, they will not go through underwriting at NY LDC. If they require funding greater than $1.1M and cannot meet the first three criteria above, NYLDC will determine their ability to repay through a cash flow analysis.

4.8.03a Cash Flow-Based Necessary and Reasonable Determination: If it is determined that the Applicant meets program eligibility requirements and has an unmet need greater than $100,000, and is not eligible for a grant-only award up to $1.1M via either matching debt or severe need evaluation, they may be considered for a 1:1 loan and matching grant. If the Applicant does not have a credit score of 600 or above, has not existed and operated in NYC for 3 years or more, or has not received SBA assistance, NYLDC determine if the Applicant can reasonably repay a loan through their available cash flow. NYC BS will inform NYLDC of the loan award the Applicant may be eligible for, based on NYC BS's determination of their remaining unmet need.

Prior to the approval of a loan, the Applicant will be thoroughly screened for credit history and repayment ability. In order to assess the credit risk, NYLDC shall examine the tax returns filed by the Applicant and all Principal Owners of the business (owners of 20% or more of the business) for 2011 through and including the most recently completed year and the following, as appropriate:

1) The amount of the loan requested and purpose of loan;
2) The operating history for the periods covered in the tax returns and the interim period to the date of application;
3) Cash flow projections;
4) Jobs, contracts or projects in progress;
5) Personal financial statements of Principal Owners;
6) Debt history and schedules
7) Credit reports and scores for the Principal Owners; and
8) Credit information and reports for businesses

Upon completion of its underwriting assessment, NYLDC will prepare a memorandum summarizing the applicant's reasonable ability to repay the loan amount (or a portion of the amount) determined by NYC BS. NYC BS will evaluate this memorandum. The recommendation will be factored into the DOB table.

4.8.04 Evaluation of Severe Need *(if applicable, responsibility of NYLDC/SBS/NYCEDC)***:** If an Applicant demonstrates Unmet Need of more than $100,000, and meets the criteria for Severe Need, they may be eligible for a grant-only award of up to $1,100,000 and a 1:1 matching loan and grant above that amount. The Applicant will be automatically considered for this award if a higher unmet need is determined. NYCBS will make an evaluation based on the following criteria:

- Ability to demonstrate that the business anchors significant economic activity, above and beyond employment at the business's location (e.g., through suppliers, distribution partners, etc.,) particularly to benefit LMI individuals or areas
- Number of jobs at risk as a share of pre-Sandy employment (i.e., more than 30%); the type of jobs at risk, including wage and benefits, will also be a factor
- All other program eligibility and underwriting standards are applicable

If the Applicant meets one of the Severe Need criteria and meets all other program eligibility requirements, the Applicant will be eligible for a Severe Need Award. The total Award amount will be communicated to the Awardee through the commitment letter.

4.9 National Objective

Responsibility of NYC BS

The ninth step is determining what National Objective the Applicant qualifies for under HSBLGP. The National Objective should be noted in the "General" tab of the full application.

4.9.01 Low- and Moderate-Income Limited Clientele (Microenterprise): A microenterprise is defined as a business having five or fewer employees at the time of application, one or more of whom owns the business. The City can achieve the LMI National Objective by assisting micro-enterprises if each of the owners' is at or below 80% of area median household income. An applicant is not limited in the number of employees they have after an award has been provided and may hire additional staff as a result of HSBLGP assistance and still qualify under this National Objective.

When collecting ownership information for businesses with five or fewer owners at the time of application, household income and family size are required. If the business has more than five owners, only their names are required.

4.9.02 Low- and Moderate-Income Area Benefit:[8] An area benefit activity is one that is available to all the residents of an area that is primarily residential in nature. The City can achieve the LMI national objective by assisting businesses that primarily provide goods and services to *a Market Area (i.e. Service Area)* in which more than 51.0% of *residents* are of low- and moderate-income. The assisted businesses cannot provide goods and services to only non-residential clients. Moreover, the goods and services the assisted businesses provide must be available to all residents with low- and moderate-income.

4.9.02a Determine Eligibility for LMI Area Benefit National Objective Consideration
As a first step, following HUD guidance[9], SBS Account Manager will make a determination whether a business qualifies as serving an LMA by taking into account the following factors:

- Nature of activity – in order for a business to qualify as a LMA service, it must meet the standards as not providing business to business goods and services, and must provide service(s), good(s) or product(s) which can be reasonably expected to be accessible to LMI population
    - If a business has a warehouse, the business must demonstrate it sells directly to the public on a regular basis in the area in which the business is located for which it is receiving DR assistance
    - The business cannot be an industrial business that engages in manufacturing wholesale trade or transportation and utilities activities; and

[8] As of July 1, 2014, grantees using LMISD to qualify area benefit activities shall use the updated LMISD based upon the ACS, notwithstanding the transition policy below. The LMA Tool will be updated accordingly.

[9] HUD guidance includes the following documents: 24 CFR 570.208 for national objective criteria, *Basically CDBG* (Chapter 3: National Objectives), and CPD's *Guide to National Objectives & Eligible Activities for Entitlement Communities* (Chapter 3: Meeting and National Objective & Appendix D: Determining Service Area).

  - The business must provide goods and services that are available to all residents with low- and moderate-incomes.
- Location of the activity -The International Council of Shopping Centers (ICSC) service area definitions shall be used to determine the LMA service area of a business
- Accessibility - there needs to be a reasoned determination that a business is accessible to LMI residents and can be used by LMI residents if they so choose.

4.9.02b Determine Market Area Based on Business Type and Location

Based on findings outlined in the September 13, 2013 "Hurricane Sandy Community Development Block Grant Disaster Recovery Grant Program – Retail Market Areas" memo from Michael Moynihan, PhD, Chief Economist of NYCEDC (Attached as Appendix 13), the City has determined relevant Market Areas based on both business type and the borough in which the business is located within NYC.

Estimated Market Areas by Retail Type and Location

Type of Retail	Description	Market Area	
		Manhattan	All Other Boroughs
Neighborhood	A retailer whose primary market area is residents in the immediate neighborhood.	1/4-mile radius	3/4-mile radius
Convenience	A retailer that offers every day goods such as food and toiletries. In NYC, essentially the same as neighborhood retail.	1/4-mile radius	3/4-mile radius
Specialty	A retailer that offers a unique item or service.	3-mile radius	5-mile radius
Big Box	National retailer with a store size anywhere from 20,000 SF to 200,000 SF.	3-mile radius	5-mile radius

Source: NYCEDC analysis of data from the International Council of Shopping Centers and Urban Land Institute

Unless a business provides substantial evidence of an alternative service area, NYC BS staff will determine a business's service area based on the business's type and location, as stated in the table above. The business's specific Market Area will include all contiguous census tracts included in the relevant Market Area radius.

The City uses census tract data and the American Community Survey to compute the LMI percentage of a business' Market Area. Census tracts that are composed of more than 51% LMI residents meet the LMI Area Benefit National Objective. Using an Access-based LMA Service Area Tool developed by EDC and SBS, Account Managers will overlay an Applicant's Market Area on the appropriate census tracts within the business's Market Area, accompanied by an Excel file that lists all the census tracts with the total number and the percentage of LMI persons for the Applicant's record. For the purposes of this calculation, all of the tracts within a Market Area must be contiguous.

The LMA Service Area Tool will also verify if the business's Market Area is primarily residential by calculating the total residential floor area in the census tracts in the business's Market Area as a percentage of the total built floor area (including residential and non-residential floor area) in the census

tracts. If 1) the built floor area in the census tracts are at least 50% residential and 2) at least 51% of the residents are LMI, the business will qualify as serving an LMI Area.

In some cases, barriers to access may impact a business's activity. For example, for businesses whose primary Market Area is residents in the immediate neighborhood – such as Neighborhood and Convenience stores (as defined above), the existence of barriers to access, such as major waterways, may impact accessibility. As a result, for these business types, program staff determined that major waterways will be incorporated into the determination of a business's Market Area. For Neighborhood and Convenience stores whose Market Area crosses a major waterway (defined as the East River, Upper New York Bay, and Lower New York Bay), the LMA Service Area Tool will eliminate those census tracts that are on the opposite site of the waterway from the business.

In addition to the steps noted above, if the business has the documentation to do so, they may provide program staff with evidence to suggest that an alternative Market Area is more appropriate. This documentation could include:

- Data from detailed receipts with customer addresses
- Documentation that the majority of customers that a business serves are defined by a delivery area, and documentation of that delivery area

If a business can provide this information, Business Solutions Center staff would determine their Market Area based on the documentation provided by the business applicant.

4.9.03 Low- and Moderate-Income Job Creation/Retention: Finally, the City can achieve an LMI National Objective by assisting businesses providing LMI benefit through the creation or retention of jobs. A business can be considered as providing an LMI benefit if it creates or retains jobs, at least 51% of which, on a full time equivalent (FTE) basis, are held by LMI persons. Additionally, at least one LMI job, calculated on a full-time equivalent basis, must be created or retained by the business to qualify for the LMI Job Creation or LMI Job Retention national objective.

Normally, an employee's *household* income must be documented in order for the employee to be considered LMI. For the Hurricane Sandy CDBG-DR grant, HUD has waived this requirement and has agreed to treat each employee as a household-of-one. Thus, the employer only has to report the salary and job type for each position created or retained.

4.9.03a Requirements for Jobs to be Considered Retained: In order to consider jobs *retained* as a result of CDBG-DR assistance, there must be clear and objective evidence that permanent jobs will be lost without financial assistance. Such evidence may include:

- Evidence that the business has issued a notice to affected employees, or made a public announcement to that effect, or has missed payroll payments as a result of financial distress; or
- Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

4.9.03b Jobs Counting Toward LMI Percentage:
In counting the jobs to be used in calculating the percentage that benefit LMI persons, the following policies apply:

- All jobs are calculated based on a 40 hours per week basis, with jobs working greater than 40 hours indicated as a maximum of 40 hours, please refer to the Full Application attached as Appendix 3.

- The salary includes tips and commissions which should be estimated by the employer on the date of hire for a full calendar year;
- Only permanent jobs count; temporary jobs may not be included;
- Seasonal jobs are considered to be permanent for this purpose only if the season is long enough for the job to be considered as the employee's principal occupation;
- All permanent jobs created or retained by the activity must be counted even if the activity has multiple sources of funds; and
- Jobs indirectly created or retained by an assisted activity (i.e., "spin off" jobs) may not be counted.

4.9.04 Urgent Need: If Applicants cannot meet the LMI National Objectives, and were impacted by the storm, Applicants will be considered for Urgent Need.

4.10 Application and File Finalization

After completing the steps outlined above, NYC BS staff will complete the full application and collect all necessary documents from the Applicant. Once the full application has been filled out, NYCBS will provide the Full Application, Analysis on Changes in Working Capital and Cash Flow and commitment letter and all documents in the Applicant's file to the Quality Assurance team for review. Once the Quality Assurance team's review is complete, the Applicant will sign the application.

4.10.01 Application Finalization: NYC BS staff must complete the full application, including the DOB using information from NYLDC. The NYC BS Account Manager will ensure that all required fields are completed by the Applicant, including those fields that require information already provided in the Preliminary Assessment Form. Please note, if an Applicant has filled out multiple versions of the application, these applications will remain in the folder but the newest application will be clearly designated. For the Jobs tab, which is only required in some circumstances, the Account Manager will ensure that it is filled out in the newest version of the application if: 1) the Applicant can qualify as a LMI Microenterprise; and 2) the Applicant is creating or retaining jobs (regardless of LMI status). If the Applicant could potentially qualify for Severe Need, and is not creating or retaining jobs, the Account Manager is not required to complete the Jobs tab but will write a Note to File explaining that the business is not creating or retaining jobs. The full application is signed and dated by the Applicant following the quality assurance process and upon receiving a decision letter. In the event that the Full Application must be amended but is already signed by the Applicant, BS Staff will either include notes to file to clarify any changes or have the Applicant sign an updated Application. The Full Application cannot be edited after the Applicant has signed unless it is resigned by the Applicant.

4.10.02 Final Documentation Collection and Verifications: NYC BS staff must check that the appropriate items listed below have been supplied by the Applicant. NYC BS must also make sure that any Notes to File, Correspondence Letters, and other documentation relevant to the Application are saved in the program files on the S drive.

- ☐ HUD Core Eligibility (section 3.2)
    - For-profit business currently operating (or if closed, will be operating) in New York City
    - (check tax returns, or, if tax returns are not available at the time of the Core Eligibility check, check New York State Division of Corporations, State Records and UCC Corporation and Business Entity Database or use property tax records, or other documents) **AND**

- Applicant was in existence on/before Hurricane Sandy (check tax returns, or, if tax returns are not available at the time of the Core Eligibility check, property records, the NYS Corporation and Business Entity Database) **AND**
    - Businesses that have changed EINs or corporate structures since Hurricane Sandy must be able to demonstrate the qualities below (through a management agreement or other formal legal and/or financial documentation) to be considered eligible for an award through the HSBLGP. This will be documented in the application file with a Note to File from the Account Manager and the relevant management agreement or legal documents.
        - Business is operating for the same purpose (i.e. a bakery remains a bakery); and
        - Business retains at least one of the original owners; and
        - The management, operating or other sale agreement, that the new company retains some degree of ownership (at least 25%) of the previous company; and
        - Has retained financial obligations of prior legal entity. The Applicant must demonstrate that the business paid whatever financial obligations they had for the previous legal entity, such as the final business tax return; and
        - Continues to demonstrate unmet recovery need from Hurricane Sandy.
- Applicant is not a private utility (check NYS Corporation and Business Entity Database, tax returns, or any other available evidence) **AND**
- Whether the Applicant is a small business (input NAICS code into full application; and verifies that employment and annual receipts are below limit through tax returns or other financial documents, and employment figures provided by NYS-45s, ADP records, or any other applicable employment documents) **AND**
- Business, and any business with the same EIN, is not debarred; include 2 copies of dated debarment results (check the federal System of Award Management) **AND**

☐ Proof of Loss, Damage and/or from Storm (section 4.3)

- Proof of loss statement from: SBA, private insurance, FEMA, or public insurance (any and all) **OR**
- Copy of utility bill documenting outage from the storm **OR**
- Documentation from third party source that shows that the business is located in a damaged area (need both documentation on business location and information such as City data on outage and inundation) **OR**
- Photos that clearly show damaged inventory and equipment prior to the storm **OR**
- An Affidavit Verifying Business Interruption (Appendix 18) accompanied by some other evidence, such as photos

☐ Inventory and Moveable Equipment Loss (section 4.4)

- List of the anticipated costs to repair and/or replace moveable equipment inventory AND
- Proof that items were lost due to the storm (such as photos, loss verification reports, etc.)
- Proof applicant owned items before the storm (such as Invoices, detailed inventory, loss verification reports, etc.) **OR**
- If an Applicant cannot provide documentation demonstrating the costs of all eligible moveable equipment/inventory expenses for which they are seeking assistance for, the Applicant can complete the Affidavit Verifying Equipment and Inventory Loss (Appendix

17). Affidavits must be accompanied by evidence, such as photos, of proof of ownership and item loss due to the storm to demonstrate impact.

- ☐ Assistance Received (*if applicable*, section 4.5)
  - SBA financing including amount, purpose, and status; verified via electronic SBA tracker, letter of rejection/approval, or evidence of applicant submission **AND/OR**
  - Documentation of any Hurricane Sandy-related assistance received, rejected or yet-to-be-received by local, state or federal government **AND/OR**
  - Insurance policies in force on or after October 27, 2012 and any information regarding whether the assistance was received, rejected or yet-to-be received **AND/OR**
  - Any grants related to Hurricane Sandy – including private funding - received, rejected, or yet-to-be received, verification and purpose category (i.e. "moveable equipment" or "inventory").

- ☐ Working Capital (see document full list in section 4.6)

- ☐ Necessary and Reasonable Determination (*if applicable,* section 4.8)
  - Credit score of more than 600 (supplied by NYLDC) **OR**
  - Evidence that the business has operated in NYC for three years (tax returns, NYS Corporation and Business Entity Database, any other documents that demonstrate business) **OR**
  - SBA assistance offered or received (SBA electronic tracker, award letter) **OR**
  - Cash flow enables repayment of loan (NYLDC, using supplied financial documents)

- ☐ National Objective (*if applicable, i.e, qualifying for job creation/retention national objective or microenterprise) the below documents are used to populate the Jobs tab in the full application,* section 4.9)
  - Payroll Statements (e.g. Paychex, ADP, etc.) for the three-month period prior to October 2012 and the three-month period prior to signed PAF date **OR**
  - Employer's federal tax return (i.e. Federal Form 941) from the quarter prior to October 2012 and the three-month period prior to signed PAF date **OR**
  - Pink slips, public announcements for retention, and/or any other appropriate documentation that can prove job retention
  - NOTE: if the applicant is not able to provide employment information the Account Manager will write a note to file explaining this

4.10.03 File Maintenance/Retention: NYC BS must maintain a paper file and scan all documents into the Applicant file on the S: drive: Unless instructed otherwise by HUD, each loan should have two files maintained by NYC BS: a paper file that contains hard copies of all original signed documents, and an electronic file that contains all electronic information pertaining to the applicant including the Transmittal Coversheet. CRM will be maintained separately, but will serve as a component of the digital file as a complete record of actions taken and correspondence with the Applicant during the application process.

4.10.04 File Transfers: Any files to be transferred to NYLDC will be transferred via a secure FTP site. NYC BS Staff will have access to a secure FTP site that will be used to transfer complete applications and supporting documentation from the NYC Business Solutions Centers. Each Center will have access to a specific folder that is not visible to other Business Solution Centers. NYLDC will have access to all of the centers' folders. The files are only active for 14 days, whereupon the folder automatically clears itself of files.

4.11 Award Approval or Declination

Responsibility of NYC BS

The eleventh step is determining the final approved award amount to be provided to the Applicant. Once an approval or declination has been made, NYC BS staff will note that the Applicant as "closed/won" or "closed/lost" in CRM.

4.11.01 Award Communication: SBS shall approve an Application for an Award if they have met all program eligibility requirements, have an unmet need based on the calculations in the final DOB table, and meet the necessary and reasonable criteria. If an Application for Award is approved, SBS shall issue the commitment letter to the Applicant and copy NYLDC. The final application will be provided for signature at the same time as the commitment letter. The commitment letter will only be valid upon signature of the final application – this is noted in the language in the commitment letter. If an Application for an Award is declined, SBS shall issue a declination letter and copy NYLDC (Appendix 9). If the Applicant is receiving a letter of declination, and has already signed the application without a Duplication of Benefits chart, SBS staff will include the signed certification page of the application as well as the most up-to-date Duplication of Benefits table so that the Applicant will understand their award decision and can make an appeal if appropriate.

4.11.01a Award Communication to Closed Businesses: Closed Business Policy: When a business has closed as a result of the storm, has not re-opened by the time a decision is reached by SBS, the Program will award/decline the business funds based on its unmet need and satisfaction of core HUD eligibility requirements. The Applicant will receive a decision letter, but the Applicant must provide an executed lease as a demonstration that it will re-open prior to signing the loan/grant agreement.

4.12 Appeal Process

Responsibility of NYLDC, SBS, and NYCEDC

All "adverse action" letters (the result of a decline, withdrawal or cancellation) will indicate that the Applicant has the right to appeal the decision within 15 days by providing additional information to NYC BS to address the reasons indicated in the letter for the action. All new documentation for appeals must be submitted within 30 days of the initial statement of the Applicant's desire to appeal.

4.12.01 Eligibility and Need Appeal: In the event that the Applicant submits new information pertaining to unmet need and/or eligibility criteria SBS will evaluate the new information and make a determination. This can include but is not limited to evidence of loss, such as photos or receipts, etc.

Once the Applicant receives the final application and the decision letter (whether a decline or a commitment) the Applicant can then submit new information to SBS. New information can be submitted via e-mail, mail or in-person. The Borough Coordinator and/or the Director will write a brief memo summarizing the documents submitted for the appeal, outline necessary steps to change any documentation (such as the application) and recommend an outcome. A different Borough Coordinator and Director will consider the memo, concur or disagree with the recommended outcome, and provide the Deputy Commissioner with a new decision letter for signature.

If a declination is changed to an approval or an award amount increases, the Quality Assurance team will review the new decision.

4.12.02 Necessary and Reasonable Appeal: In the event that the Applicant submits new information regarding the necessary and reasonableness of an award, such as differing credit reports, or that they have been in business for 3 years, NYC BS will evaluate the new information. In the case of an appeal based on business cash flow, NYLDC will evaluate the new information and make a recommendation to NYC BS. In this case the following procedure applies:

- NYLDC senior management will review any new financial information presented by the declined Applicant in response to their appeal and determine whether they had a defined business plan in place **prior to the storm** in order to improve the company's cash flow and reopen. Evidence of this plan being in affect may include but not be limited to one or more of the following observations:
    - Continued revenue growth over the historic periods;
    - Evidence of financial efforts being made to control and/or reduce expenses;
    - Evidence that the applicant has implemented balance sheet changes to generate cash /restructure pre storm debt; or,
    - The projections filed with the original application should include evidence that the pre storm plan is in effect and assumption in the file should discuss the pre storm plan.

Upon analysis of the new financial information provided by the Applicant, NYLDC will prepare a memorandum summarizing the new information and its impact on the applicant's reasonable ability to repay a loan based on positive cash flow in the future. NYC BS will evaluate this memorandum. If the new information is determined to result in the recommendation for an award, NYC BS will prepare a new commitment letter. If the new information does not result in a change to the award, NYC BS will send a declination letter.

4.12.03 Severe Need Appeal: If the Applicant's new unmet need requires a Severe Need review, SBS will evaluate the Severe Need criteria and make a determination. That determination will be included in a note in the Applicant's file. The Severe Need amount will be included in a new commitment letter.
All appeals decisions must be reviewed by SBS Quality Assurance staff to ensure compliance. SBS will notify the Applicant of the final determination in writing. If the award changes, SBS will issue a new commitment letter and copy NYLDC.

4.13 Loan and/or Grant Commitment and Agreements

Responsibility of NYLDC

4.13.01 Commitment Letters and Loan/Grant Agreements: All Commitment Letters to Applicants:

- Shall be valid for a period of 30 days unless the commitment is accepted by the Applicant in which case the commitment shall be for a period of six months unless a different term is set forth in the commitment letter.
- Shall include the loan and/or grant amount.

Commitment Letters will be sent by SBS to the Applicant by mail or e-mail. Upon the Applicant accepting the Commitment Letter, NYLDC will arrange an in-person meeting for the closing documents at the NYLDC office or will arrange a "mail closing" with signatures being notarized (see Appendix 5).. NYLDC obtains photo ID of the individuals who are signing the documents.

4.13.01a Job Creation/Retention:
Responsibility of SBS

Please see Appendix 20, Section 2, for a detailed Job Creation Monitoring Plan

4.14 Loan and/or Grant Closing

Responsibility of SBS and NYLDC

4.14.01 Loan/Grant Closing: Prior to the disbursement of a loan and/or grant the file shall be examined and approved for disbursement by the NYLDC Legal Department which shall ensure that all documents and deliverables required in connection with the loan and/or grant have been received and are in the proper form.

All loans and/or grants shall be properly and completely documented and funded in accordance with the commitment letter, consistent with HUD CDBG-DR rules and regulations. At any time there is an indication that the loan should not nor cannot close as approved, NYLDC's Senior Loan Officer (or other member of NYLDC Senior Management) shall be consulted prior to the closing of the loan. Prior to closing the loan and/or grant, the Applicant will be required to report any additional funds received since the time of application certification. In addition to the Loan Agreement and Grant Agreement, NYLDC will be sure the Applicant signs the Subrogation Agreement (Appendix 7) at closing. The closing documents will contain certification that there has been no change to the Duplication of Benefits certification signed at application submission, if applicable.

4.14.02 Final Debarment: Prior to closing the loan, SBS Quality Assurance staff will re-confirm that the Applicant is not debarred by any federal government agency for certain legal matters. If there is a change, NY BS will maintain a record of this second report on file for each Applicant.

4.15 Loan and/or Grant Disbursement

This section outlines the disbursement requirements and processes for the Hurricane Sandy Business Loan and Grant Program. These requirements align with the following applicable laws:

- The Housing and Community Development Act of 1974 – the law that created the Community Development Block Grant (CDBG) program under the purview of the U.S. Department of Housing and Urban Development (HUD) to provide flexible grants to States and Entitlement Communities (with a population of 50,000 or more)
- The Disaster Relief Act of 1974, amended as The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 1988 – the law that defines the hierarchy of assistance to be provided to disaster victims (Duplication of Benefits) and assigns respective responsibilities for disaster preparedness and response to local Governments and Federal agencies. Using the flexibility of CDBG, disaster recovery grants (CDBG-DR) are provided by HUD to States and to Entitlement Communities as a supplement to other assistance (insurance, SBA, FEMA, etc.).
- Cost Principles for State, Local, and Indian Tribal Governments, OMB Circular A-87 – stipulates which costs are eligible for reimbursement by federal grants and what are considered necessary and reasonable costs that are therefore eligible. The circular has been superseded as of December 26th, 2014 by 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Federal Register Notices – March 5, 2013; April 19, 2013; May 29, 2013; July 29, 2013; August 2, 2013; November 18, 2013; December 16, 2013; March 27, 2014; June 3, 2014; July 11, 2014; October 7, 2014 October 16, 2014; January 8, 2015; April 2, 2015; and May 11, 2015.

The City adopted a process that requires disbursement of funds in a manner that provides checks and balances to reduce compliance risk. The verification process is described below:

Working Capital

1. The SBS Quality Assurance team compiles and reviews paid expenses.
2. Once the review is completed, the Quality Assurance team sends the documents to NYLDC for review and verification of eligible use of funds.
3. NYLDC reviews the documents, and then sends a confirmation to SBS to proceed with the payment.
4. The SBS Accounts Payable team reviews the paid expenses and wires the funds to NYLDC.
5. NYLDC issues the payment to the Awardee upon receiving funds from SBS.
6. Once the payment is processed and appears in the City's Financial Management System, OMB's Fiscal team reviews the payment for compliance with the HSBLG P&P, and HUD rules and regulations governing CDBG-DR funds and then processes the drawdown of funds. The amount being drawn is supported by documentation on file.

Moveable Equipment and Inventory

1. The SBS Quality Assurance team compiles and reviews invoices or price quotes.
2. The SBS Quality Assurance team confirms with NYLDC that the invoices and price quotes are eligible expenses.[10]
3. NYLDC sends a confirmation to SBS to proceed with the payment.
4. The SBS Accounts Payable team reviews the invoices and wires the funds to NYLDC.
5. NYLDC issues the payment to the vendor upon receiving funds from SBS.
6. Once the payment is processed and appears in the City's Financial Management System, OMB's Fiscal team reviews the payment for compliance with the HSBLG P&P, and HUD rules and regulations governing CDBG-DR funds and then processes the drawdown of funds. The amount being drawn is supported by documentation on file.

4.15.1 Moveable Equipment and Inventory

4.15.01a Determine the disbursement amount: Inventory and moveable equipment awards are calculated based on quotes provided by the Awardee during the application process or the SBA verifier report. Prior to closing, Awardees will have the opportunity to provide updated quotes or submit quotes to support the SBA verifier report. Additionally, Awardees are expected to submit required documentation within 30 days to process their disbursement; if they fail to meet this deadline the request will be delayed until the documentation is received. Businesses that meet the deadline will be processed first.

Necessary and reasonable determination – the determination is made prior to award approval but also verified during disbursement specifically when the Awardee provides updated quotes.

- Necessary – funding provided for an eligible award category.
- Reasonable – comparable to that lost as a result of the storm (price wise – SBA verifier loss report, Kelley's Blue Book for moving vehicles, 3 purchase quotes) – see Appendix 21 for more details.

[10] For instances where a direct wire transfer to an awardee is the method of disbursement, the Quality Assurance team sends the documents to OMB for review and verification of eligible use of funds.

Prior to issuing the funds, SBS with the assistance of OMB will review the updated quotes to ensure that costs are necessary and reasonable and that the Awardee will not use loan and/or grant funding for unallowable expenses as stipulated in Circular A-87 and/or 2 CFR 200, whichever is applicable on the current date.

4.15.01b Reconciling Quotes Differences: All allowable quotes differences must met the necessary and reasonable criteria and must fall under one of the following conditions:

Condition #1

In cases where (1) the purchase orders/quotes for equipment and/or inventory items are valued differently than the awarded amount and (2a) the cost falls within the necessary and reasonable definition for the program or (2b) the cost is less than the award amount, the following procedures will be taken:

- If the purchase orders provided for the total number of inventory and/or equipment has a value that is higher than the awarded amount, SBS will offer the Awardee the opportunity to pay the difference. A Note to File should specify that the Awardee is responsible of paying the overage.
- If the purchase orders provided for the total number of inventory and/or equipment has a value that is lower than the awarded amount, SBS will update the application and commitment letter of the award to reflect this change in value.

Condition #2

In cases where a purchase order/quote lists a new equipment item that performs the function of two or more of the approved equipment items. This new item is acceptable but the amount disbursed for this item cannot exceed the combined total of the valuation of the combined equipment items. For example, if an Awardee has been approved to replace a fax machine, laser printer, and copy machine valued at $500 each, a 3-in-1 printer that performs the task of each replaceable item is an allowable purchase up to the amount of $1500. As stated earlier, if an overage exists above the combined valuation of the approved equipment items, it will be covered by the Awardee.

Condition #3

In cases where the awarded amount for a specific inventory or equipment item is not sufficient to purchase the same quantity listed on the application, the awardee can purchase a smaller comparable quantity up to the awarded amount. For example, if an Awardee has been approved for $3000 to replace 5 computers, the Awardee can buy 2 comparable computers up to the amount of $3000. As stated earlier, if an overage still exists after decreasing the quantity, it will be covered by the Awardee.

4.15.01c Funds transfer and disbursement mechanism: Loans and grants shall be disbursed directly after closing via wire transfer to the vendor or through a two-party check (payable to the Awardee and/or the Creditor). When a wire transfer or a two-party check is not available, the Awardee can purchase items directly and then NYLDC will compensate them for expenses with substantiation documents which includes the paid invoice/cancelled check/evidence of the purchase made on the business credit card or personal credit card for sole-proprietors. The purchase date should be after the Awardee signed the loan/grant agreement. If the Awardee is unable to purchase items without receiving award funds (e.g., vendor does not accept 2 party checks and applicant demonstrates it does not have cash flow), NYLDC

will advance funds to the Awardee, who will have up to two weeks or an agreed upon time by SBS to make purchases and to provide substantiating documentation.

4.15.01d Substantiation

4.15.01d.i Two-party check (standard method) – issued to Awardee and Vendor

- Copies of the purchase quotes/proposed purchases
- Verification – Copy of two party check as well as NYLDC Authorization for Disbursement
- The documents above are sufficient because both parties will have to endorse the check before it can be cashed. No need to follow-up with additional verification.

4.15.01d.ii Wire transfer to the Vendor

- Copies of the purchase quotes/proposed purchases to verify purpose of the wire
- Vendor's wire transfer information
- The wire transfer confirmation along with the vendor invoice will suffice as substantiation.

4.15.01d.iii Wire transfer to the Awardee

- Proposed equipment/inventory to be purchased still required at time of disbursement
- Under certain circumstances where two-party check is not practical or accessible for the vendor, Applicant can purchase items directly
    - Date of Purchase must still be on/after closing date
    - Additional substantiation: invoice, copies of receipt, cancelled check made payable to vendor, or other acceptable evidence of the purchase made by Applicant
- BDC Authorization for Disbursement

4.15.02 Working Capital

4.15.02a Eligible working capital expenses

Upon closing on a loan or grant, NYLDC will provide three months' worth of working capital in advance to the Awardee based on NYLDC review of eligible working capital expenses. The disbursements shall support payment of specific operating expenses under the business name or the business owner's name if the Awardee is a sole-proprietor. Eligible working capital expenses include the following:

- Lease and/or mortgage payment: for this expense a lease agreement must be provided
- Moveable Equipment Lease Payment
- Moveable Equipment Repairs and Maintenance
- Merchant services fees such as VISA, AMEX and MasterCard.
- Business related travel and transportation (e.g. parking fees, tolls, gas, metro cards, air fare).
- Licenses and permits (includes inspections)
- Delivery charges
- Business related lease and/or mortgage payment
- Marketing costs (any type of advertisement that the company pays for could be provided)
- Business utility bills (includes telephone, cable, gas, electricity, water and sanitation)
- Business taxes (e.g. real estate, sales, corporate, licensing)
- Payroll expense (copy of the entire payroll summary should be provided, if this is not available then the Awardee should submit other documentation used to keep the payroll information on the books to prove this expense or cancelled checks written out for each

employee)

- Professional services (e.g. accountant, legal, IT, cleaning, security)
- Insurance (e.g. property insurance, liability insurance, worker's compensation, commercial vehicle insurance)
- Accounts payable: in order for this expense to be eligible, the Awardee must submit invoices with an outstanding balance for goods (e.g. supplies and inventory) or services that were received or rendered. It must be clear that there is an unpaid amount that is still owed to the vendor for items already received documented in a current invoice with past due amount.
- The invoices should also have a description of the item(s) purchased in order to check for OMB Circular A-87/2 CFR 200 eligibility

4.15.02b Ineligible working capital expenses

- Alcohol – costs of alcoholic beverages are unallowable
- Bad debts – this includes losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable
- Entertainment – costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation for business customers or their families, and gratuities) are unallowable

4.15.02c Initial Disbursement: The *initial* disbursement shall be in an amount equal to or less than the aggregate amount of the grant and/or loan.

4.15.02c.i Estimates: The initial disbursement will be based on the three historic months of most recently available expenses or working capital needs for three months as estimated by the applicant. The expenses should be in a form that is acceptable by the Program as outlined in section 4.15.02a. SBS reserves the right to limit any initial full disbursement when the business is cash flow negative and/or one expense makes up more than 50% of the working capital award.

4.15.02c.ii Disbursement substantiation of working capital expenses incurred as a result of Hurricane Sandy: Awardees with a working capital unmet need may substantiate their federal funding with eligible working capital expenses incurred from October 29, 2012 and paid up to the point of application but no later than the cut-off date of October 29, 2013. Working capital expenses eligible for reimbursement must have been incurred between these two dates. Eligible working capital expenses are outlined in the HSBLGP Policies and Procedures section 4.15.02a. Awardees may still use the loan/grant awards for post-award working capital expenses.

HSBLGP will determine eligibility for working capital funds based on its underwriting process, which assesses the working capital/cash flow loss since the storm. The underwriting process, combined with the duplication of benefits process outlined in the HSBLGP Policies and Procedures sections 4.6 and 4.7, will continue to determine the overall working capital award amount granted to a business.

Awardees seeking disbursement of working capital funding utilizing working capital expenses from October 29, 2012 until October 29, 2013 may only be disbursed up to the working capital need for the time period from October 29, 2012 until October 29, 2013. SBS program management will use the loan/grant report's

cash flow deterioration/working capital loss figure to determine the eligible reimbursement amount. The working capital need for this time period will be determined by utilizing the underwriting process conducted to determine the overall award amount for working capital for a business.

4.15.02c.iii Funds transfer mechanism: NYLDC will use a wire transfer to disburse working capital funds to Awardee's operating business account with the exception of accounts payable(s) and expense(s) directly paid to provider, which will be made through wire transfer and/or joint check to the vendor/provider.

4.15.02c.iiii Co-Applicant process: The process for co-Awardees differs in disbursement. While affiliated businesses can only use HSBLGP funds for the expenses in the business Awardees' name, co-Awardees have the flexibility to use substantiated expenses in either name. The Commitment Letter, Loan and Grant Agreements, Subrogation Agreement, and Commercial Guaranty must include co-applicants businesses names.

4.15.02d Working capital substantiation timeline

The Awardee is required to provide documentation of use of eligible expenses upon receiving full working capital disbursement or requesting subsequent disbursements not exceeding a three month period from the date of disbursement. If the Awardee is experiencing challenges spending the funds within the three months' timeframe, they must submit a written request for an extension to NYLDC. SBS will extend the period for one additional month for the Awardee to incur costs and provide documentation of eligible expenses. If after four months, the Awardee still cannot demonstrate that all advanced funds were spent on eligible items, SBS will require repayment from the Awardee of any funds not used for eligible expenses, and all pending subsequent disbursements will be suspended.

4.15.02e Subsequent Disbursements

4.15.02e.i Timeline: Subsequent disbursements shall be made not more frequently than every two weeks and in an amount equal to the lesser of the aggregate amount of the undisbursed portion of the loan and/or grant.

4.15.02e.ii Substantiation: Prior to a working capital subsequent disbursement, the Awardee will provide to NYLDC documentation evidence how the prior disbursed funds were used. Funds must be used for program eligible expenses. The exact category of working capital expenses and the dollar amounts do not have to match those used as estimates for the initial disbursement, however the total awarded amount has to reconcile with the total disbursed amount. ALL expenses from the prior advance must be substantiated before any additional funding is released.

4.15.02e.iii Methods of Substantiation: After the three month term (up to six, at SBS discretion) has passed, NYLDC will require documentation in the form of receipts, copies of vendor statements with corresponding cancelled check payable to vendor, bank statement or credit card statement, and proof of payroll processing(bank statements, cancelled checks, payroll confirmation report, pay stubs, and/or filed & signed payroll tax forms) which would indicate the funds were used for an eligible working capital expenses as originally described by the Awardee in their Full Application, and as stipulated in Circular A-87 and/or 2 CFR 200, whichever is applicable on the current date. Payments for eligible expenses made by business credit card or personal credit card for sole proprietors are allowable.

If the Awardee is unable to provide, the documentation described above the following alternatives are permitted.

Alternative #1

Expenses directly paid to the provider and accounts payable disbursements are adequately substantiated by documenting the initial disbursement of the wire transfer and/or joint checks to the vendors.

Alternative #2

Rent paid in cash is adequately substantiated by a signed copy of the lease, rent receipts and a notarized letter from the landlord to confirm cash payment.

Alternative #3

Expenses paid by check cashing services are adequately substantiated by a copy of the transaction receipt and the bill.

With the exception of rent and expenses paid by check cashing services, the Program does not accept cash payment for substantiation; all payments should be made from a business account or the business owner's account for sole-proprietors, including bank or credit card accounts.

4.15.03 Activity Level Report

As needed by SBS for evaluation, monitoring, and/or status update, NYLDC will prepare an Activity Level Report which will include information pertinent to any loans that have been closed or will be closed, and are expected to be funded within one week of receipt of funds from SBS. If necessary, and at the discretion of SBS, NYLDC may also requisition funds from SBS at the time a loan and/or grant closing is scheduled, or once a loan and/or grant closing has been completed. The Activity Level Report may include, but will not be limited to, the following information:

- Loan and/or grant Awardee's name
- Loan number (identifying characteristic)
- Full Amount of approved loan and/or grant (separately stated)
- Closing date of the loan and/or grant
- Amount of the loan and/or grant (separately stated) to be funded with this request
- In the case of working capital loans and/or grants, the amount previously funded (separately stated), if applicable
- The amount of working capital funding remaining on the loan and/or grant (separately stated)
- The Activity Level Report will be submitted to SBS Management for approval of payment. Following a review for propriety of the payments being requested, the Activity Level Report will be approved by authorized member of the SBS Accounts Payable team and submitted for processing.
- SBS Accounts Payable will review the Activity Level Report for proper approval and process the funding
    - An Electronic Funds Transfer (EFT) request for payment to NYLDC's authorized bank account for the full amount of the approved payment will be initiated in the FMS system
    - Following comparison of the EFT requested amount to the Activity Level Report and

verification of the proper vendor name and bank account, the EFT will be released by a second authorized SBS AP person

Once the funds are received by NYLDC, payments to the approved loan and/or grant Awardee will be made in accordance with the specific circumstances applicable to the requested payment, within 3 business days of receiving the funds from the City of New York. NYLDC will follow its standard cash disbursements policies and procedures with respect to authorizations, approvals, signatures, wire transfer protocol, etc. to ensure that the payments are properly made to the Awardees.

4.16 Loan and/or Grant File Retention

Responsibility of NYLDC and SBS

4.16.01 SBS File Retention: SBS shall maintain all documents and information relevant to the application, closing and servicing of the loan and/or grant submitted to NYLDC.

- The files shall be maintained to ensure that all necessary information is maintained in a neat, orderly and accessible manner.
- The files shall contain all application documents.
- All files shall be maintained in a secure environment and safeguarded from unauthorized use or disclosure.
- Original hard copy of any document hand signed (i.e., "wet signature") and given to NYLDC as part of the application/eligibility/closing process and /or in quarterly reporting and reconciliations, etc. will be sent to SBS.
- All files shall be maintained for a period of seven (7) years from the date of the termination of the program and for such additional time as requested by SBS, NYEDC, HUD or other agency having jurisdiction over the program.
  It is not necessary to print out other documents in order to have a complete hard copy file, so long as the electronic documents are maintained in the primary file and can be printed if requested for a monitoring or audit.

4.16.02 NYLDC File Retention: Though a complete set of all documents will be maintained electronically with SBS, any original, hard copy documentation that is either received in hard copy or *hand signed* and received by SBS will be retained by SBS and stored securely at their offices. NYLDC will receive scanned copies of original, hardcopy documentation from SBS when the Full Application file on the secure FTP site (see Step 6), and at any point that original, hard copy documentation is revised or changed thereafter.

In the event that there are significant changes made to the policies and procedures and/or any related documentation attached as appendices hereto, which, at the discretion of SBS and NYCEDC, need to be applied to all files currently maintained by SBS and/or NYLDC to ensure consistency and compliance, SBS

shall draft and include a Note to File within each file to explain and reflect these changes. The Note to File shall be detailed enough to clearly explain and account for any changes made to the Applicant's file.

4.17 Loan Servicing, Re-Application and Conversion Process

Responsibility of NYLDC and SBS

4.17.01 Loan Servicing Requests: All servicing requests from Awardees will be handled by NYLDC in an expeditious manner, provided the loan and/or grant has already been approved and funded through this program. The request will be considered using prudent lending practices and applicable procedures, including the following:

- NYLDC will make an initial review of the request to determine if it is appropriate to proceed to seek approval of the request. If it is not appropriate the Awardee will be promptly notified that the request cannot be approved and the basis for the determination with guidance on procedures for appeal.
- Upon receipt of a servicing request, NYLDC will undertake a review of the Credit and Legal Files to determine if there are any closing documents or financial information exceptions. All exceptions will be resolved prior to the implementation of any servicing action.
- All requests shall be documented and NYLDC shall reply to the Awardee as soon as properly approved. The Awardee should be kept apprised of the status of all requests for servicing and the anticipated time for decision by the Company.
- Servicing requests should be reflected in a quarterly portfolio report provided to SBS from NYLDC outlining any pending, rejected, and approved requests along with the status of all outstanding loans.

4.17.02 Re-Application Requests: All re-application requests from Awardees will be handled by BS Account Managers in an expeditious manner provided that:

- The Applicant has already been approved and funded through this Program;
- The Applicant is able to submit all new documentation necessary to certify that they have Unmet Need that was previously unaddressed in their first application to the program;
- The BS Account Manager can determine and verify additional unmet need based on the verification processes identified in Transmittal Coversheet, as applicable, pursuant to duplication of benefits guidance provided by HUD in November 16, 2011; and,
- There are still HSBLGP funds available to be disbursed to the Applicant.

The BS Account Manager will collect all new documentation within the Applicant's original file and, upon receipt of all necessary and relevant documentation that certifies the unaddressed unmet need indicated by the Applicant and having verified the unaddressed unmet need using the processes identified in the Transmittal Coversheet for various types of duplicative assistance (as applicable), the BS Account Manager will refer the Applicant to NYLDC, who will proceed to evaluate the Applicant using the new documentation. NYLDC may request that the BS Account Manager retrieve updated financial

documentation from the Applicant in the Document Checklist, or any other financial documentation necessary to accurately re-calculate the applicant's unmet need.

As with all new applications, all re-applications will be processed on a first-come, first-served basis, with priority given to businesses that demonstrate a benefit to low- and moderate-income populations.

4.17.02 Second Look Process: Due to changes from Action Plan Amendment 5, SBS is instituting a Second Look Policy for Applicants that received either approval or declination letters prior to July 1, 2014.

4.17.02a Awardees Prior to July 1, 2014: For Awardees that were given a loan/grant prior to July 1, 2014 NYLDC will resize their award to account for new loan/grant ratios. SBS will issue a notice to each Awardee, and copy NYLDC/SBS staff, to suspend loan payments until a new commitment letter is sent to the Awardee. NYC BS staff will request information from NYLDC/SBS regarding the principal and interest payments made by the Awardee. NYLDC or SBS will provide an e-mail to the NYC BS staff regarding the amount of repayment; this e-mail will be saved in the S drive.

The amount of principal/interest repaid by the Awardee will be included as a new working capital need in the DOB table in the full application. The new working capital need will be added to the Applicant's overall unmet need, thereby increasing the overall Award size. Awardees with more than $100,000 in unmet need, and without matching debt that would result in a grant only award anyway, will be considered for a Severe Need award and will be evaluated against the Severe Need criteria. SBS will update the full application with new DOB information and the Severe Need determination.

Inventory/moveable equipment numbers will not be updated on the DOB tab to reflect purchases made with Award funds. Although in many cases inventory and moveable equipment awards will have already been spent by approved applicants, Need and Unmet Need sections of the Duplication of Benefits table will not be changed for these categories to reflect this.

However, for the purpose of recalculating awards based on principle and interest payments already paid by approved applicants and received by NYLDC, these amounts will be added to the Working Capital category as additional Need to be addressed by this program. In all cases, the total award will remain the same with the exception of principle and interest paid on the principle balance of loans to-date (which is added to Working Capital Need)."

SBS will draft a new commitment letter stating the new Award size and copy NYLDC. NYLDC will send new Loan and Grant agreements with the updated Award amounts for signature; these agreements with include language nullifying the original awards. The Awardee must resign and send original signed agreement(s) to NYLDC and copy SBS.

4.17.02b Declined Applicants Prior to July 1, 2014: HSLGP will perform a "second look" for all applications that were declined prior to July 1, 2014 due to cash flow position. SBS and NYLDC will share

responsibility for the second-look process. SBS will send files of Applicants that received declination letters for cash flow negative position (not cash flow positive businesses with no unmet need) to NLYDC for a second look.

If the declination has not been communicated to the Applicant, NYLDC will evaluate the Applicant using existing documents and revise the Analysis on Changes in Working Capital and Cash Flow according to the statement on Identifying Changes in Working Capital and Cash Flow. NYLDC will send the new Analysis on Changes in Working Capital and Cash Flow to SBS. NYC BS will update the DOB table of the Full Application accordingly. If the declination has been communicated to the Applicant, NYLDC will follow the same process as described in this paragraph but will issue a memo, and not a full Analysis on Changes in Working Capital and Cash Flow, describing the change in working capital.

SBS will then reach out to the Applicant by e-mail and inquire if they have already purchased any equipment/inventory originally included in their application. NYC BS staff will update the DOB table accordingly.

Once the new materials in the file are reviewed by the SBS Quality Assurance team, SBS will issue a commitment letter stating the Award amount and copy NYLDC. NYLDC will conduct the closing and disbursement process as described in sections 4.13 and 4.14. If the Applicant received an official declination before July 1 and they were declined in the "second-look process" due to no moveable equipment, inventory or cash flow needs, no further information will be required of the Applicant. They will not be required to resign the Application or provide any additional information. If there are no new materials to review, the SBS Quality Assurance Team will only review the NYLDC memo. No further information will be required of the client.

4.18 On-Going Monitoring

Responsibility of NYLDC and SBS

Please see Appendix 20 for a detailed Monitoring Plan.

4.19 Recapturing Funding from Defaulting Business

Responsibility of SBS

Please see Appendix 22 for detailed Recapture Policy.

4.20 Citizen Complaints and Press Inquiries

Responsibility of NYLDC and SBS

An Applicant, citizen, representative of the press, and/or elected official may issue inquiries or complaints about the Program through various channels (ie. email, phone, fax, or verbal). A Citizen Complaint is distinct from a general inquiry in that it goes beyond a simple process question, such as asking about the status of an Application, and requires follow-up from SBS's Director of Business Recovery. The following outlines responses to inquiries and complaints from external stakeholders.

Complaints regarding delivery of customer service should be directed to Client Services at Small Business Services. All complaints will be documented on the master list.

4.19.01 Press and Elected Officials: SBS's Communications Office handles all inquiries from the press and elected officials. Regardless of the medium in which the inquiry or complaint is generated (ie. email, phone, fax, or verbal) and the recipient, all inquiries or complaints from Press and Elected Officials should be emailed to SBS's Communication Office and SBS's Executive Director of Financial Services and Business Recovery promptly. If this is not practicable to respond promptly given the nature of the inquiry or complaint, then SBS's Communications Office and/or SBS's Executive Director of Financial Services and Business Recovery will acknowledge receipt of the inquiry and provide an updated timeframe in which to anticipate a response to the press or elected official who submitted the inquiry.. If the communication is a complaint, it will be responded to as outlined in 4.19.03.

4.19.02 Applicant Complaints: For Applicants, the first point of contact is their Business Solution Center Account Manager or client services. Whenever practical, Business Solution Center Account Managers or client services should respond to a complaint directly with pertinent information, any resolution that can provided, and contact information for follow-up. Any response to a complaint must be supplied in writing within 15 business days. When a Business Solution Center Account Manager is unable to respond to an Applicant's complaint, they should email all details, including the name and contact information of the person making the complaint, content of the complaint, date complaint received, and the medium the complaint was generated including to whom the complaint was addressed and/or the name of the person who received and recorded the complaint, of the complaint to the Director of Business Recovery.

If an Applicant reaches out to the Commissioner's Office, HUD, OMB, or any party that is not their Business Solution Center Account Manager, the complaint will be directed to the Executive Director of Financial Services and Business Recovery for response.

4.19.03 Citizen Complaints: For citizens that have not applied to the program and therefore do not have a Business Solution Center Account Manager, regardless of the channel or recipient, complaints will be forwarded via email to SBS's Executive Director of Financial Services and Business Recovery for response. In all cases, responses will be issued in writing within 15 business days of the complaint's receipt. All program partners must direct complaints and inquiries from the press or HUD to the Executive Director of Financial Services and Business Recovery.

5. APPENDICES

APPENDIX 1: Preliminary Assessment Form

5. APPENDICES

APPENDIX 1: Preliminary Assessment Form

Hurricane Sandy
Business Loan & Grant Program: Preliminary Assessment Form

Small Business Services

Section I: Eligibility Checklist

1. Are you a for-profit business paying taxes and located in New York City?	☐ **Yes** ☐ **No**
2. Did your business exist on or prior to October 27th 2012? If "Yes," please provide date your business started selling products and/or services: _____/_____/_____ Month Day Year	☐ **Yes** ☐ **No**
3. Did your business, or at least one of your NYC business locations, experience loss, damage and/or interruption as a result of Hurricane Sandy?	☐ **Yes** ☐ **No**
4. Can you provide evidence of damages or losses of moveable equipment (where no installation is required)/inventory and/or a need for working capital, resulting from Hurricane Sandy?	☐ **Yes** ☐ **No**
5. Are you a legal resident of the United States?	☐ **Yes** ☐ **No**
6. Is the business or any of its principal owners (greater than 20% ownership) debarred by the Federal Government?	☐ **Yes** ☐ **No**
STOP **Did you answer "Yes" to all the questions above except 6?** **If you selected "No", please carefully review the program requirements and contact an NYC Business Solutions Account Manager to explore additional financing options.** Visit nyc.gov/nycbusiness to contact an NYC Business Solutions Account Manager and find additional program information.	☐ **Yes** ☐ **No**

Hurricane Sandy
Business Loan & Grant Program:
Preliminary Assessment Form

Small Business Services

Section II: Business Information, Damages, and Assistance Received

1. **Business Legal Name:** _____

   Business Doing-Business-As ("DBA") Name: *(If applicable)* _____

2. **Legal Business Structure:** ☐ **Sole Proprietorship** ☐ **Partnership** ☐ **LP/LLP** ☐ **LLC** ☐ **Corporation**

3. **Business Address at time of storm:** *Must represent physical location. Post Office Boxes are not accepted.*

   _____
   Building Number, Street Name and Unit or Floor Suite — Block and Lot *(if known)*

   _____
   City, State, 5 Digit Zip Code + 4 Digit Extension *(if known)* — Borough

4. **Business Mailing Address:** *Only complete if different from address given in Question 3*

   _____
   Building Number, Street Name and Unit or Floor Suite

   _____
   City, State, 5 Digit Zip Code + 4 Digit Extension *(if known)* — Borough

5. **Business Telephone Number:** *(area code + 7-digit + ext.)* (__ __ __) __ __ __ - __ __ __ __ *ext.*_____

6. **Business Fax Number:** *(area code + 7-digit + ext.)* (__ __ __) __ __ __ - __ __ __ __ *ext.*_____

7. **Business Website:** *(If available)* _____

   Business E-mail: _____

8. **Contact Information of the Authorized Principal Representative for the Business:** *Business owners must designate and authorize an individual as the point of contact for inquiries from the City.*

   _____
   First Name — Middle Name — Last Name — Suffix e.g. Jr. Sr. Esq. etc.

   _____
   Business Title — Relationship to Business

   _____
   E-mail Address — Number *(area code + 7-digit + ext.)*

9. **Please provide either your business' Employer Identification Number (EIN) or, for sole proprietorships operating without an EIN, your Social Security Number (SSN):**

   EIN __ __ - __ __ __ __ __ __ __ **OR SSN** __ __ __ - __ __ __ - __ __ __*

**Any Federal, State or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.*

10. **Describe the nature of your business:** *(example: retail, service, manufacture, etc.)* _____
    NAICS Code(s): *(if known)* _____

11. **Is your business currently operating?** ❑ **YES** ❑ **NO**
    If closed, please describe here:
    _____
    _____

12. **Has your business structure or EIN changed since Hurricane Sandy?** ❑ **YES** ❑ **NO**

13. **Describe your business in terms of the products and services it offers and the markets it serves:**
    _____
    _____

14. **What were the approximate annual sales of your business for 2011?** $ _____
    What were the approximate annual sales of your business for 2012? $ _____

15. **How was your business impacted by hurricane Sandy**? *Describe for instance flooding, power outage, business interruption etc.*
    _____
    _____

16. **Please briefly describe your loss, damage and/or interruption as a result of Hurricane Sandy:** *Including loss of sales revenue, inventory, customers, movable equipment etc.*
    _____
    _____

17. **What is the approximate total dollar value of your business losses for all NYC locations?** $ _____

18. How many employees did you have before the storm? _____
    How many employees are at risk of losing their jobs because of the storm? _____
    How many employees do you project hiring in the event of receiving CDBG-DR funding? _____

19. **What financial assistance has been offered, received, rejected, applied for or is pending for Sandy business recovery?** *List only Sandy-related recovery from sources such as the SBA, City and State programs, CDFIs (such as Accion Renaissance, BOC Capital), banks, alternative lenders, etc.*

Source *(SBA, NYC Sandy Emergency Loan, etc.)*	**Amount of Financing Awarded**	**Status** *(offered, received, rejected, applied for, pending)*
	$	
	$	
	$	
Total Sandy Related Financing:	**$**	

20. **To what extent did insurance proceeds cover the Sandy-related losses referenced in Question 14?**

Source	Amount of Insurance Proceeds	Status *(offered, received, rejected, applied for, pending)*
	$	
	$	
	$	
Total Sandy Insurance Proceeds:	**$**	

IN ORDER FOR THE NEW YORK CITY DEPARTMENT OF SMALL BUSINESS SERVICES ("NYC SBS") TO PROCESS THIS PRELIMINARY ASSESSMENT FORM, THE BELOW CERTIFICATION MUST BE REVIEWED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BUSINESS ENTITY SEEKING ASSISTANCE UNDER THE NYC HURRICANE SANDY BUSINESS RECOVERY LOAN & GRANT PROGRAM.

CERTIFICATION

Instructions: The Authorized Principal Representative for the business completing this NYC Hurricane Sandy Business Loan & Grant Program ("Program") Preliminary Assessment Form ("Assessment Form" or "Form") is required to certify under penalty of perjury the following:

> ***I hereby certify that to the best of my knowledge and belief, the information I have provided in this Assessment Form for the business identified below and any update, extension or modification to the Form, is accurate and complete.***

I also hereby authorize NYC SBS and its program partners (listed below) to make all inquiries it deems necessary to verify the accuracy of the information provided herein for the purpose of determining program loan and grant eligibility.

Furthermore, I acknowledge and understand that:

- the U.S. Small Business Administration has my permission, as required by the Privacy Act, to release information to program partners such as NYC SBS, the New York Business Development Corporation--Local Development Corporation ("NYBDC-LDC") and the New York City Economic Development Corporation ("NYCEDC") in connection with the application for a grant, loan or other benefit related to disaster recovery under this Program;

- the information contained in this Assessment Form may be shared by NYC SBS with other governmental agencies as required by law and with Program partners such as the New York City Office of Management and Budget ("OMB"), NYBDC-LDC, and NYCEDC for purposes of program management/administration;

- NYC SBS and NYBDC-LDC will rely on information supplied in this Certification as an additional inducement to enter into a loan, grant and/or other benefit related to disaster recovery under this Program with my business; and

- NYC SBS and NYBDC-LDC reserves the right to request any additional information deemed necessary to evaluate the loan eligibility of my business under the Program.

- This application will be deemed ineligible if, at any point in the process, the applicant is unresponsive to requests for information from either NYC SBS or NYBDC-LDC, for 15 or more business days.

_____ _____

Signature *Signature Date*

_____

Print Name

_____

Print Business Name

APPENDIX 2: Document Checklist

Hurricane Sandy Business Loan & Grant Program: *Document Checklist*[1]

Small Business Services

Program Eligibility

Preliminary Assessment Form, available for download at **nyc.gov/nycbusiness.**
Please contact a NYC Business Solutions Account Manager if you need assistance completing the Preliminary Assessment Form.

Proof of Loss, Damage and/or Interruption from Storm

One of the following forms of documentation:

- Proof of loss statements from: the SBA, private insurance, FEMA, or public insurance **OR**
- Copy of utility bill documenting outage from the storm **OR**
- Documentation from third party source that shows that the business is located in a damaged area (signed lease, utility bill, or other documentation that shows business address prior to the storm) **OR**
- Photos that clearly show damaged inventory and equipment clearly attributable to Hurricane Sandy **OR**
- If none of the above is available, an Affidavit Verifying Business Loss, Damage, or Interruption accompanied by other evidence, such as news articles

Proof of Inventory and Moveable Equipment Loss

Proof applicant owned items before the storm (such as invoices, detailed inventory, loss verification reports, etc.) including general cost **AND**
Proof that the particular item – inventory or moveable equipment - was damaged due to Hurricane Sandy **OR**
If an Applicant cannot provide documentation demonstrating the above, the Applicant can complete an Affidavit Verifying Equipment and Inventory with additional documentation to support their claim.
A schedule of items the applicant will be purchasing, including the proposed vendor and cost.

Documentation of Assistance Received (*if applicable*)

SBA letter demonstrating assistance, rejection, or approval, or evidence of applicant submission **AND/OR**
Documentation of any Hurricane Sandy-related assistance received, rejected or yet-to-be-received by local, state or federal government **AND/OR**
Insurance policies in force on or after October 27, 2012 and any information regarding whether the assistance was received, rejected or yet-to-be received **AND/OR**
Any private loans or grants related to Hurricane Sandy – including private funding - received, rejected, or yet-to-be received

[1] Note: All legally-binding documents (e.g. leases, loan agreements, etc.) must be signed and dated, where appropriate.

Documentation of Working Capital Need

IRS Form 4506T for business applicant **AND**
List of related companies (if applicable) **AND**
Complete copy of 2010, 2011 and 2012, 2013 business federal, New York State and New York City income tax returns if applicable, including all schedules and attachments (tax return availability may vary depending on businesses age) **AND**
For all principal owners (20% or more, as identified in the tax returns) the applicant has submitted the following documentation:

- Complete SBA Form 413
- Complete 2010, 2011, 2012 and 2013 personal income tax returns OR

Interim financial statements dated within 60 days of submission of this application **OR**
Two years of revenue and expense statement projections, monthly for the first year and annual for the second year. Projections need to have detailed assumptions for revenue and expense line items.

National Objective Qualification *(if available)*

Payroll Statements (e.g. Paychex, ADP, etc.) for the three-month period prior to October 2012 and the three-month period prior to application date **OR**
Employer's federal tax return (i.e. Federal Form 941) from the quarter prior to October 2012 and the three-month period prior to application date **OR**
Pink slips, public announcements for retention, and/or any other appropriate documentation that can prove job retention (such as New York State 45s)

APPENDIX 3: Full Application

General Applicant Information

Business Address:

Business Name:

Note: Verify completeness and legibility of Preliminary Assessment Form information before advancing to this step. Verify that the answers to all Core Eligibility questions on page 1 are "yes" and that the form certification is signed. ***Blue fields are editable. Green fields are calculated. Yellow fields are error messages and must be corrected before proceeding.***

Question 1: **How was the Applicant business impacted by Hurricane Sandy? Please be descriptive and include information about how the business was impacted. Describe, for instance, any lost or at-risk jobs, revenue or working capital losses, debt incurred, and lost inventory and moveable equipment.**

Question 2: **Is the Business a certified Women Business Enterprise and/or certified Minority-owned?**

☐ Minority-owned ☐ Women Business Enterprise

Question 3: **Is this application for a home-based Business (defined as a Business whose primary office is in the owner's home)?**

○ YES ○ NO

Question 4: **Is this applicant business a part of the liquid fuel supply chain?**

○ YES ○ NO

Necessary and Reasonable Determination - Grant and Loan

Questions 5 and 6 are required in order for an Applicant business to be eligible for grant or loan assistance. Both must be checked to proceed.

Question 5: ***Necessary*** **: The Applicant business was impacted by Hurricane Sandy** ☑

Question 6: ***Reasonable*** **: The Applicant business has operated its business in a fashion that is compliant with laws, rules and regulations regarding employment and taxation.** ☑

Reasonable Determination - Loan Only

Only one of the four below is required in order for an Applicant business to be eligible for loan assistance. Check at least one that applies to the Applicant business.

Question 7: **The Applicant business has existed and operated in NYC for 3 years or more.** ☑

Question 8: **The Applicant business was awarded SBA Disaster Loan assistance (whether or not it was accepted)** ☐

Question 9: **The Applicant business has a credit score of 600 or above as an average for owners with greater than 20% ownership (determined by NYLDC).** ☐

Question 10: **The Applicant business has demonstrated an ability to repay based on a cash flow (determined by NYLDC).** ☐

Small Business Confirmation Process

Question 11a: **If the Applicant business generates power within NAICS codes 221111 - 221122, but is not a private utility, verify that the business generates less than 4 million megawatt hours and include a note to file with the NAICS code and verified megawatt hour amount and proceed to Question 12. Otherwise, proceed to Question 11b.**

Question 11b: **If the Applicant business is a banking or credit institution within NAICS codes 522110 - 522210, verify that the business holds less than $500 million in assets and include a note to file with the NAICS code and asset holding amount and proceed to Question 12. Otherwise, proceed to Question 11c.**

Question 11c: **Enter the number of persons employed (not FTEs) by the Applicant business and annual receipts (from tax returns). Refer to the yellow box below for next steps:**

Enter # of Employees and Annual Receipts *Verified number of Employees:* *Verified Annual Receipts:*

Question 11d: **Verify the NAICS Code for the Applicant's business and enter it below. Refer to the yellow box below for next steps:**

Verified NAICS Code: *Industry Description:*

Enter Employees and Receipts for Question 11c *Employment size limit:* *Annual Receipts limit:*

SBA Disaster Loan Information

Question 12: **Has the Applicant business applied to SBA for Hurricane Sandy-related assistance? If "no" for Question 12, skip Questions 13 and 14.**

○ YES ○ NO

Question 13: **Whether or not the assistance has been accepted or drawn, what is the status of the Applicant business's application with SBA?**

○ Approved ○ Declined ○ Pending

Question 14: **Did the Applicant accept the offered assistance?**

○ YES ○ NO (please explain below)

Explanation:

Awards through this program are funded by the U.S. Department of Housing and Urban Development (HUD)'s Community Development Block Grant - Disaster Recovery (CDBG-DR). Awards funded under this program are eligible under 24 CFR 570.203(b), Special Economic Development Activities or Microenterprise Assistance under 24 CFR 570.201(o).

Jobs Projection

Business Name:

If the Applicant business: 1. (inclusive of owners) employs more than 5 people, and 2. does not plan to create jobs or retain at-risk jobs with assistance provided through this program ☐

			Very Low-Income	Low-Income	Moderate-Income
Minimum Wage:	$ 8.75	2015 Section 8 Income Limits:	$ 18,150	$ 30,250	$ 48,350

List only permanent employment and exclude seasonal employees (unless the "season" is long enough to be considered the employee's principal occupation). Normalized employee wages (adjusted for a 40-hour equivalent work-week) are colored based on the applicable Section 8 Income Limit category above. For each section (Pre-storm, Current, and Projected), only list salaries for employees during the period (do not enter $0 if an employee was not working during the period). For Projected, enter a C if the job is being created as a result of HSBLGP assistance, R if the job would be lost without the assistance (must be verified with pink slips, public notices, or financial distress sufficient to prove job losses), or N if the position will not be eliminated, but is not at risk without HSBLGP assistance.

			Pre-Storm (on/before 10/29/2012)	***Current***	***Projected (after Receipt of Assistance)***	
Name of Employee	Job Title/ Type of Job	Ave. Weekly Hours (maximum 40)	Annual Payroll	Annual Payroll	Created (C) / Retained (R) / Not-at-risk (N)	Annual Payroll

Jobs Projection

Business Name:

If the Applicant business: 1. (inclusive of owners) employs more than 5 people, and 2. does not plan to create jobs or retain at-risk jobs with assistance provided through this program ☐

			Very Low-Income	Low-Income	Moderate-Income
Minimum Wage:	$ 8.75	2015 Section 8 Income Limits:	$ 18,150	$ 30,250	$ 48,350

List only permanent employment and exclude seasonal employees (unless the "season" is long enough to be considered the employee's principal occupation). Normalized employee wages (adjusted for a 40-hour equivalent work-week) are colored based on the applicable Section 8 Income Limit category above. For each section (Pre-storm, Current, and Projected), only list salaries for employees during the period (do not enter $0 if an employee was not working during the period). For Projected, enter a C if the job is being created as a result of HSBLGP assistance, R if the job would be lost without the assistance (must be verified with pink slips, public notices, or financial distress sufficient to prove job losses), or N if the position will not be eliminated, but is not at risk without HSBLGP assistance.

			Pre-Storm (on/before 10/29/2012)	***Current***	***Projected (after Receipt of Assistance)***	
Name of Employee	Job Title/ Type of Job	Ave. Weekly Hours (maximum 40)	Annual Payroll	Annual Payroll	Created (C) / Retained (R) / Not-at-risk (N)	Annual Payroll

Have staffing numbers for Pre-storm and Current periods been verified with schedules of employment?:	
YES	☐

VERIFY PAYROLL WITH SCHEDULES OF EMPLOYMENT

Pre-Storm	***Current***	***Projected***
-	-	-

		Retained	**Created**
Created or Retained Employment Resulting From Assistance	Very Low-Income:	-	-
	Low-Income:	-	-
	Moderate-Income:	-	-
	Not LMI:	-	-
	Total Created and Retained Jobs:	-	-

Total Created and Retained Jobs (PT):	-	-
Total Created and Retained LMI Jobs (PT):	-	-
%of PT Jobs Created/Retained that are LMI:		

Total Created and Retained Jobs (FT):	-	-
Total Created and Retained LMI Jobs (FT):	-	-
%of FT Jobs Created/Retained that are LMI:		

Ownership and National Objective

Business Name:

Business Ownership

List all owners of the business and percent ownership for each. Include verified Adjusted Gross Income and Family Size only if the business employs 5 or fewer people inclusive of owners.

Owner Name	Household AGI	Family Size

Affiliated Businesses

List any business with common ownership with the Applicant business or any businesses that have control over the Applicant business or that the Applicant business has control over.

Business Name	Same EIN as applicant?

Community Development Block Grant - Disaster Recovery (CDBG-DR) HUD National Objective Automated Tool

Based on information entered int the application in the Business Ownership section above, Jobs Projection tab, and (for LMI Area Benefit) in the blue fields below, the green fields will determine which National Objective the Applicant business qualifies for. ***Do not enter information into the green cells at the right*** .

LMI Limited Clientele	**Does the Business qualify as an LMI Microenterprise based on owners' income and the number of employees (verify above and during Jobs Projection worksheet)?** *A Microenterprise is a business with five (5) or fewer employees, one or more of whom owns the business and each owner has a total family adjusted gross income at or below 80% of Area Median Income (AMI)*	
LMI Area Benefit	**Does the Business serve an LMI residential area based on questions below and the results of the LMA Tool?** *A business will qualify if it meets ALL of the following criteria:* ☐ Is not a firm that provides goods and services to only non-residential clients, meaning the business: o Provides goods/services to residential customers in the area/does not primarily provide business-to-business goods/ services, o Is not an industrial business (defined as a firm engaging in manufacturing wholesale trade or transportation and utilities activities), ☐ Does not provide goods and services that entirely exclude residents with low- and moderate-incomes (ie. high-end merchandise), Serves an area that is more than 50% residential based on floor area (based on LMA Tool generated by EDC), *Percent residential:* Serves an area is that's residential population is more than 50% LMI (based on LMA Tool generated by EDC). *Percent LMI:*	
LMI Job Retention	**Does the Business propose to retain existing employees that would otherwise be lost without this assistance, 51% or more of which are LMI (verify during Jobs Projection worksheet)?** *A business qualifies if more than 51% of the retained, at-risk permanent positions, calculated on a full-time equivalent basis, have salaries at or below 80% of Area Median Income (AMI)*	
LMI Job Creation	**Does the Business propose to hire new employees, 51% or more of which are LMI (verify during Jobs Projection worksheet)?** *A business qualifies if more than 51% of the newly created permanent positions, calculated on a full-time equivalent basis, have salaries at or below 80% of Area Median Income (AMI)*	
Urgent Need	**Does the Business not meet any of the criteria above, but is still otherwise eligible and has sustained damage or business loss as a result of Hurricane Sandy?**	**YES**

Hurricane Sandy Impact

Business Name:

Moveable Equipment Lost or Destroyed as a result of Hurricane Sandy

Verify to the best of your ability that moveable equipment requested is not federally ineligible as defined in Circular A-87. Unit Cost below reflects replacement cost.

Moveable Equipment	Unit Cost	Quantity	Total	Has the item been replaced?	Notes
			-		
			-		
			-		
			-		
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Inventory Lost or Destroyed as a result of Hurricane Sandy

Verify to the best of your ability that inventory requested is not federally ineligible as defined in Circular A-87. If inventory is ineligible (ie, liquor/alcohol), list it and make a note of its ineligbility in the notes section and mark as replaced. Unit Cost below reflects replacement cost.

Inventory	Unit Cost	#	Total	Replaced?	Notes
			-		
			-		
			-		
			-		
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Damages, Unmet Need, and DOB

Business Name:

Duplication of Benefits Analysis

*Include **ALL** Hurricane Sandy assistance provided including private loans and CDFI assistance [which should be categorized as Other (non-duplicative)]. Include assistance under "unspecified" if the assistance was provided for multiple purposes (one of which is for Inventory, Moveable Equipment, or Working Capital) or a general recovery purpose and the applicant cannot provide receipts to demonstrate that funds were spent on a different, eligible purpose. Include (or divide, if necessary) unspecified assistance under the category of Need(s) that have Unmet Need Yet to Replace or Working Capital if no remaining Inventory or Moveable Equipment Need exists.*

	Inventory	Moveable Equipment	Working Capital
TOTAL NEED (A):	-	-	

		Purpose *(or eligible use, with receipts)* of funds							
Sandy Relief Assistance Provider	Type	Inventory	Unspecified	Mov. Equip.	Unspecified	Working Capital	Unspecified	Other (non-duplicative)	Basis of determination of purpose *(Documentation **Must** be in the file)*
		Counted as Inventory		*Counted as Mov. Equipment*		*Counted as Working Capital*			

TOTAL Duplicative Assistance (B):	-	-	-	-
[A - B] UNMET NEED (C):	-	-	-	
Already Replaced After Assistance (D):	-	-		
[C - D] Unmet Need Yet to Replace (E):	-	-	-	**TOTAL Unmet Need:** -

Non-HSBLGP Loan Amount
-

	RECOMMENDED AWARD			**Total Award:**
Grant:	-	-	-	-
Loan:	-	-	-	-
Total:	-	-	-	-

Estimated Monthly Debt Service
-

Severe Need Evaluation

If the Applicant business's Unmet Need Yet to Replace is greater than $100,000 the Applicant business should be evaluated for the Severe Need criteria below:

Based on information entered in the Jobs tab, does the Applicant business plan to retain at-risk jobs or create new jobs that are greater than 25% of the business's pre-Sandy employment (20% if greater than 125% of minimum wage)?

% of Pre-storm Jobs	% w/ 125% of Min Wage
0.00%	0.00%

Does the Applicant business anchor significant economic activity beyond employment at its location (e.g. through suppliers, distributers, etc.)?
Enter verified NAICS code for applicant in Question 11d on the General tab.

% of SBA standard employment	% of SBA standard revenues
0.00%	0.00%

Existing Business Debt

Business Name:

Existing Business Debt

Please list all Business Notes payable only, include lines of credit, business credit cards, mortgages, installment debts and capitalized leases.

Existing Debt Description	Date Incurred	Original Amount	Balance	Interest Rate (APR)	Term (Months)	Monthly Payment	Status
	Total:	$ -	$ -			$ -	

Expense Assumptions

Business Name:

Use this tab to fill in any details for your business - We want to know the details behind the numbers and your assumptions! The more details the better!

	Description	Quantity	Unit of Measurement	Cost Per Unit	Cost Per Month	Cost Per Year	Assumptions and Notes
Advertising					$ -		
					$ -		
					$ -		
					$ -		
Payroll	Salaries				$ -		
	Benefits				$ -		
	Employer-paid taxes				$ -		
					$ -		
Fees and Charges	Sales commissions				$ -		
	Credit card fees				$ -		
	Delivery charges				$ -		
	Bank Service Fees				$ -		
	Professional Fees (Legal, Accountant, etc.)				$ -		
	Dues and subscriptions				$ -		
	Licenses and Permits				$ -		
					$ -		
Insurance	Flood				$ -		
	Liability				$ -		
	Workers Compensation				$ -		
					$ -		
Other Expenses	Rent				$ -		
	Equipment Expenses				$ -		
	Maintenance and Repairs Costs				$ -		
	Miscellaneous				$ -		
	Office Supplies				$ -		
	Telephone Bill				$ -		
	Utilities (Electric, Gas, Water)				$ -		
	Depreciation				$ -		
	Sanitation				$ -		
	Interest				$ -		
					$ -		
					$ -		

Total Monthly and Annual Expenses: $ - $ -

For Credit Card Fees, assume that:
70% of sales quantity is made with Credit Card Purchases
$0.10 per credit card sale
2% per total credit card sales
*Total Credit Card Fees = (70% * Sales Quantity)*$0.10 + 70% * Total Sales * 2%*

2015 Year to Date and Estimated To Complete the Year Income and Expenses

Business Name:

The purpose of cash flow is to allow Account Manager to work with the business and determine the best finance structure that will serve the business' needs and position for approval by NY LDC underwriters.
Cash flow projections should start on the month of receipt of the first draw on the HSBLGP funds and continue 12 months subsequent, not based on calendar year.

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YTD TOTAL	%	Next Year Projections
	BEGINNING CASH BALANCE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	BRLGP LOAN	$ -												$ -		$ -
	BRLGP GRANT	$ -												$ -		$ -
	OTHER GRANTS													$ -		
	TOTAL CASH BALANCE:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
REVENUES	Revenue Source 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Revenue Source 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Revenue Source 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Revenue Source 4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	TOTAL REVENUES:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
COST OF GOODS	Cost Source Revenue Source 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Cost Source Revenue Source 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Cost Source Revenue Source 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Cost Source Revenue Source 4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	TOTAL COST OF SALES:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
GROSS PROFIT	Gross Profit for Revenue Source 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Gross Profit for Revenue Source 2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Gross Profit for Revenue Source 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	TOTAL GROSS PROFIT:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
GENERAL AND ADMINISTRATION	Advertising	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Sales Commissions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Credit Card Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Delivery Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Equipment Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Maintenance and Repairs Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Insurance (Health & Business)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Office Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Professional Fees (Legal, Accountant, etc.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Telephone Bill	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Utilities (Electric, Gas, Water)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Licenses and Permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Dues and Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Bank Service Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	TOTAL GENERAL & ADMINISTRATIVE:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Net Operating Income Before Debt Service:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
DEBT	Loan Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	BRLGP Loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	TOTAL DEBT SERVICE:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Net Operating Income After Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	PRE-TAX PROFIT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Less: Business Taxes @ 35%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	NET PROFIT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Less: Owner's Draw	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	NET CASH FLOW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -
	Break-Even Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -

Certification, Disclosures, and Releases

Business Name:

Business Entity Disclosures

A.	Is the Business Entity, or any of its principal owners and officers, presently the subject of any litigation, or is any litigation threatened, which would have a material adverse effect on the Company's financial condition?	O	YES	O	NO
B.	Has the Business Entity, any of its principal owners and officers, or any of its affiliates, ever been involved in bankruptcy, a creditor's rights or receivership proceeding, or sought protection from creditors?	O	YES	O	NO
C.	Has the Business Entity, or any of its affiliates, ever settled debt with a lending institution for less than the full amount outstanding?	O	YES	O	NO
D.	Has a senior manager or principal of the Business Entity ever been convicted of a felony or misdemeanor, other than a minor traffic violation, or are any such charges pending?	O	YES	O	NO
E.	Has the Business Entity or any of its affiliates, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution operating practices?	O	YES	O	NO
F.	Are there any outstanding judgments or liens pending against the Business Entity other than liens in the normal course of business?	O	YES	O	NO
G.	Is the Business Entity delinquent on any state, federal or local tax obligations, in arrears to the City of New York ("the City") upon debt, contract or taxes or are any of its principal owners and officers a defaulter, as surety or otherwise, upon obligation to the City?	O	YES	O	NO
H.	Is the Business Entity or any listed owner currently suspended or debarred from contracting with the Federal government, the State of New York, or the City; barred from receiving grants or loans from the City; been declared not responsible or disqualified by any agency of the City; or is in any proceeding pending relating to the responsibility or qualification of the Business Enterprise to receive assistance under this Program?	O	YES	O	NO

If you answered "yes" to any of the above questions, provide an explanation below. Attach additional sheets as necessary. Note: Answering "yes" to any of the above questions does not automatically disqualify the Business Entity from receiving assistance under this Program.

Releases & Certifications by Business Entity

The Undersigned certifies to SBS, HUD and the Program Partners that he/she is a duly authorized representative of the Business Entity applying for assistance under the Program;is authorized to make the certifications, attestations and acknowledgments on behalf of the Business Entity in connection with this application as well as execute any and all related or supporting documentation. Furthermore, the Undersigned:

(a) certifies that all statements in this application, including all schedules, appendices and additional information submitted in connection herewith is accurate and complete in all material respects;

(b) acknowledges and consents to any site visit and/or audit application conducted by the City, HUD, Program Partners and their agents for a period extending to six (6) years after the final disbursement of assistance. The City, HUD, Program Partners and their agents reserve the right to contact contractors, vendors, insurance companies and other federal, state and local government agencies to verify the accuracy of information included in or relating to the Program application;

(c) acknowledges, understands and agrees to allow (i) the Department of Taxation and Finance to share its tax information with the City, the U.S. Department of Housing and Urban Development ("HUD") and "Program Partners," such as the New York Business Development Corporation-Local Development Corporation ("NYBDC-LDC") and their agents; (ii) the Department of Labor to share its tax, employer or other information with the City, HUD, Program Partners, and their agents; (iii) any federal, state, local governmental agency or authority that has or is providing emergency storm recovery funding for damage sustained as a result of the storms to share its information with the City, HUD, Program Partners, and their agents, relevant to flood recovery funding; and (iv) the City, HUD, Program Partners, and their agents access to any and all books and records required to monitor the Business Entity's compliance with the terms of the Program and applicable Laws

(d) consents to and authorizes the City, HUD, Program Partners and their agents to make any and all inquiries necessary to verify the accuracy of the information provided herein including, but not limited to direct contact with the Business Entity's current and previous landlords, employers (as it relates to principal officers and/or owners of the Business Enterprise), credit holders, credit references, financial institutions, insurance providers, neighbors and/or police departments;

(e) attests to the best of his/her knowledge and belief, that all statements in the application, including all attachments hereto, and any affidavits, certifications or supplemental information provided herewith, are accurate and complete;

(f) understands that the submission of inaccurate or fraudulent information in connection with this application may be grounds for denial or recapture of any assistance to be provided under the Program and may be punishable by criminal, civil or administrative penalties;

(g) acknowledges and agrees that that it will be obligated to repay any assistance received under this Program in the event: (i) its application, including any information provided therewith or thereafter, is determined to contain a material misrepresentation(s); (ii) the assistance was made in error and the applicant is not entitled to assistance under the Program; or (iii) additional assistance is received for the same purpose from any other grant(s) or other assistance from the local, state or federal governments, third-party private assistance, loans and/or insurance;

(h) understands that failure of the Business Enterprise to respond to requests for additional information or clarification from the City, HUD, Program Partners, and their agents within fifteen (15) business days of each request may render the Business Entity's application ineligible for assistance under the Program.

The Undersigned acknowledges that he/she has read all Program requirements and certifications listed herein as well as in the Preliminary Assessment Form and agrees to comply with all applicable federal, state and local laws pertaining to the receipt of assistance under the Program and agrees to obtain all necessary approvals and permits. Furthermore, the Undersigned agrees to release the City, HUD, Program Partners, and their agents from any and all claims arising from the administration of the Program, including this application and the receipt of assistance, if any.

Name (Please Print)

Signature

Title

Date

Confidentiality. Except as otherwise required by applicable Law, the City, HUD and "Program Partners," which includes NYBDC-LDC and NYCEDC, and their agents, shall hold confidential, both during and after the completion or termination of the Program, all applications, documents, information or data containing privileged and proprietary information that were furnished to, or prepared, assembled or used by, the Business Entity in connection with its application for assistance under the Program. This obligation to hold applications, documents, information or data containing privileged and proprietary information shall not apply where the City, HUD, and Program Partners, if applicable, and their agents would be required to disclose such reports, information or data pursuant to the State Freedom of Information Law ("FOIL").

APPENDIX 4: Ineligibility Letter Template

[Date]

[Applicant Name]
[Applicant Business]
[Address 1]
[Address 2]

Dear [Applicant Name]:

This letter is to inform you that we cannot proceed with processing your application under the Hurricane Sandy Business Loan & Grant Program.

The reason is as follows:
(NOTE: Business Solutions Center staff will check all that apply)

❒ Your business is not a for-profit business

Your business is not a small business as defined by the SBA in 13 CFR Part 121.

❒ Your business was not in existence on or before October 29, 2012.

❒ Based on the information you have provided to date, we are not able to determine that your business, at one or more of its NYC locations, experienced loss, damage and/or interruption as a result of Hurricane Sandy.

❒ Based on the information you have provided to date, we are not able to determine that that your business sustained damages or losses of moveable equipment/inventory and/or a demonstrated a need for working capital resulting from Hurricane Sandy.

❒ Your business, or an associated business with the same EIN, is on the Federal debarred list.

If you have additional information that could further inform your eligibility for this Program, please contact me within 15 business days using the contact information listed below.

Sincerely,

[NYC Business Solutions Center Staff Name]

APPENDIX 5: Loan and Grant Agreements

NYBDC LOCAL DEVELOPMENT CORPORATION

LOAN AGREEMENT

DATE: _____, 20____

GRANTEE:

GUARANTOR:

GUARANTOR:

GRANTOR:

Loan AMOUNT BY PURPOSE

EQUIPMENT

INVENTORY

WORKING CAPITAL

TOTAL LOAN AMOUNT: $_____

WHEREAS, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.), the City of New York received major disaster declarations as a result of Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013

WHEREAS, pursuant to the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013), as amended ("Act"), Congress appropriated funds for the Community Development Block Grant Disaster Recovery ("CDBG-DR") program;

WHEREAS, the City of New York has received an allocation of CDBG-DR funds from the U.S. Department of Housing and Urban Development ("HUD");

WHEREAS, the City of New York, acting by and through the Department of Small Business Services ("SBS"), has engaged the Lender to assist the City of New York in administering a loan and grant program for small businesses adversely affected by Hurricane Sandy and other eligible events, funded with CDBG-DR funds (the "Program"); and

WHEREAS, SBS has entered into a agreement with the Lender (the "Subrecipient Agreement") which provides that the Lender shall account and report to SBS in respect to the Borrower's compliance under this Agreement.

NOW, therefore, the parties hereto hereby agree and as follows:

1. **AMOUNT OF THE LOAN.** The Borrower agrees to borrow from the Lender and the Lender agrees to lend to the Borrower, the Loan Amount, upon the terms and conditions set forth in this Agreement (the "Loan"). The Loan shall be evidenced by the Borrower's promissory note in the Loan Amount dated on even date herewith, and payable as set forth therein (the "Note").

2. **REPRESENTATIONS, WARRANTIES, COVENANTS AND/OR AGREEMENTS OF BORROWER.** The Borrower represents, warrants, covenants, and/or agrees, that as of the date of this Agreement or such other date as set forth herein and/or as the context of the Agreement requires:

a. All financial information provided to the Lender (the "Financial Information") is true, correct, and complete in all material respects and truly represents the financial condition of the Borrower.

b. All information provided to the Lender regarding the nature and extent of the damage suffered by the Borrower as a result of Hurricane Sandy, the other resources, including, but not limited to, insurance, grants, loans investments, claims, available to or received by the Borrower to compensate for said damage and all other information relating to the Borrower's eligibility for the Loan (collectively, the "Eligibility Information") is true, correct, and complete in all material respects.

c. There has been no material adverse change in the financial condition, assets or business prospects of the Borrower or, if the Borrower is not a natural person, any change in the ownership or management of the Borrower since the date of the Borrower's application for the Loan except to the extent disclosed to the Lender in writing prior to the date hereof.

d. The Borrower has good and marketable title to all assets reflected in the financial statements of the Borrower.

e. The Borrower's assets are not subject to any liens or encumbrances except as disclosed in the Financial Information.

f. The Borrower has a federal employer identification number and all insurance, licenses, permits, and other approvals necessary to operate the business.

g. The Borrower is not a party to any agreement, or subject to any restriction, which materially and adversely affects its business, assets or financial condition.

h. No litigation in any court, arbitration proceeding or proceeding before any commission or other administrative authority is now pending or threatened against the Borrower.

i. There are no pending claims for insurance or compensation for damages to the Borrower's business which occurred on or after October 29, 2013.

j. The Borrower has filed all tax and similar returns and has paid or provided for the payment of all taxes and assessments now due and has no knowledge of any claims for taxes which might become a lien on the assets of the Borrower other than real property taxes not yet payable.

k. In connection with the business premises and/or facilities used by the Borrower to conduct business operations (collectively, the "Business Premises") (i) at the time the Borrower submitted the application for the Loan, the Business Premises was in compliance with all environmental laws and regulations pertaining to the environment; (ii) the Borrower has and will continue to comply with all environmental laws and regulations relating to the environment; (iii) except as disclosed in connection with any environmental investigation of the Business Premises undertaken in connection with the Loan, the Borrower has no knowledge of any environmental contamination or other violation of environmental laws or regulations at the Business Premises; (iv) Borrower will promptly the Lender if the Borrower knows, suspects or believes there may be any environmental contamination at, adjacent to or near the Business Premises or if any such property becomes the subject of any investigation or enforcement action by any governmental agency in connection with actual or suspected environmental contamination.

l. The Borrower will promptly pay or discharge all taxes, assessments or charges imposed upon it or any of its property and all lawful claims for labor and material which, if unpaid, might become a lien of charge upon such property.

m. The Borrower will keep proper books, records, and accounts in accordance with generally accepted accounting principals consistently applied and in a manner reasonably satisfactory to the Lender.

n. The Borrower will furnish employment information to the Lender (including each position title, work hours, and payroll) as requested by the Lender. Please see attached Schedule I for additional information.

o. The Borrower will furnish year-end statements to the Lender prepared within one hundred twenty (120) days of the Borrower's fiscal year end and such additional financial information and/or reports concerning the Borrower as the Lender may, from time-to-time, request.

p. The Borrower will furnish, or cause to be furnished, to the Lender personal financial statements for each guarantor within one hundred twenty (120) days of the Borrower's fiscal year end and such additional financial information and/or reports concerning any guarantor as the Lender may, from time-to-time, request.

q. The Borrower will furnish a copy of the federal tax return (with schedules) filed by the Borrower and any guarantor to the Lender within one hundred twenty (120) days of the Borrower's fiscal year end.

r. **In the event that the Borrower should fail to produce any report, information, and/or other document required pursuant to the terms of the Agreement and requested in writing by the Lender, the Lender may adjust the interest rate payable under the Note to provide for payment of interest at the rate of Ten Percent (10%) per annum until such time as the required report, information and/or other document has been received by the Lender.**

s. The Borrower will permit and hereby authorizes the Lender, at the Borrower's expense, to (i) inspect and audit books, records, and papers

relating to the Borrower's financial or business condition; and (ii) inspect and appraise any of the Borrower's assets.

t. The Borrower will not change the ownership structure or interests of the business of the Borrower without the advance consent of the Lender, which shall not be unreasonably withheld or delayed.

u. The Borrower will not dispose or destroy any equipment purchased with the proceeds of a loan without advance notice to the Lender, except in the ordinary course of business.

v. The Borrower will not make any distribution of its assets (other than reasonable compensation for services) or make any loan or advance without the written consent of the Lender.

w. The Borrower will permit the Lender to have access, at all reasonable times, to the properties, files, books and financial records of the Borrower.

x. The Borrower hereby authorizes the Lender and the City of New York to publish details of the Loan. Such information may include: name of the company; address; amount of the loan; use of loan proceeds; number of jobs created/retained.

y. The Borrower agrees to provide the Lender with the contact information, to include name, address, phone number and e-mail address of its tax preparer, bookkeeper, or certified public accountant, and further authorizes said tax preparer, bookkeeper, or certified public accountant to furnish and release to the Lender all of the financial information required by this Agreement to be provided to the Lender by the Borrower

z. The Borrower will notify the Lender upon the occurrence of an Event of Default as provided in this Agreement.

aa. The Borrower acknowledges that the distribution of such funds (CDBG-DR) is subject to all CDBG requirements pursuant to the program regulations set forth under Title 24 CFR Part 570, including subpart K.

bb. Borrower will comply with provisions for training, employment and contracting in accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) by making good faith efforts to hire those persons who meet the United States Department of Housing and Urban Development ("HUD") guidelines for low/moderate income.

cc. Borrower will not discriminate against any person or business for employment based on race, color, religion, national origin, disability or family status. Borrower shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq*) and CFR HUD regulations issued pursuant thereto contained in 24 CFR Part 1. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1965 (42 USC 6101 *et seq*) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Vocational Rehabilitation Act of 1963 (29 USC Section 794) shall also apply to any such program activity. The borrower shall also comply

with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

dd. Grantee will comply with all Community Development Block Grant regulations contained in 24 CFR, Part 570, Subpart I and published Federal Regulations related to CDBG-DR, and fulfill one of the following HUD National Objectives:

☐ Urgent Need
No additional documentation required.

☐ Low- and Moderate-Income Limited Clientele – Microenterprise
No additional documentation required.

☐ Low- and Moderate-Income Area Benefit
See attached Schedule I for additional documentation required.

☐ Low- and Moderate-Income Job Creation
See attached Schedule I for additional documentation required.

ee. Borrower will comply with all Community Development Block Grant regulations contained in 24 CFR, Part 570, Subpart I and published Federal Regulations related to CDBG-DR, and fulfill one of the three National Objectives defined for CDBG programs.

ff. Borrower will comply with requests from HUD, SBS and their authorized representatives to provide access to examine all facilities, records, books, papers or documents related to the loan and to fully cooperate in supplying all information required to meet CDBG monitoring and audit requirements.

gg. THE BORROWER'S FAILURE TO COMPLY WITH THE NONDISCRIMINATION CLAUSES OF THIS AGREEMENT, OR WITH ANY OF THE FOREGOING RULES, REGULATIONS, REPRESENTATIONS WARRANTIES, COVENANTS OR REQUESTS, SHALL CONSTITUTE AN EVENT OF DEFAULT.

hh. THE BORROWER SHALL COMPLY WITH ALL APPLICABLE REQUIREMENTS OF LAW, INCLUDING ALL APPLICABLE REQUIREMENTS OF LAW CONCERNING CIVIL RIGHTS, NON-DISCRIMINATION IN EMPLOYMENT AND WITH RESPECT TO INDIVIDUALS WITH DISABILITIES OR HANDICAPS, EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION PROGRAMS, LABOR STANDARDS (INCLUDING THOSE UNDER THE DAVIS-BACON ACT) AND ANY OTHER REQUIREMENT OF LAW APPLICABLE TO BORROWER IN CONNECTION WITH THIS AGREEMENT OR OTHERWISE.

3. **FEDERAL LABOR STANDARDS**: If the proceeds of the Loan are used for or in connection with any construction the following provisions shall be applicable

   a. The Davis-Bacon Act (40 U.S.C. §§ 3141 *et seq.*): In construction contracts involving an excess of $2000, unless exclusively in connection with the rehabilitation of residential property containing fewer than 8 units, all laborers and

mechanics must be paid at a rate not less than those determined by the Secretary of Labor to be prevailing for the location where the work is to be performed. These wage rates are a federally mandated minimum only, and will be superseded by any State or City requirement mandating higher wage rates. The Borrower also agrees to comply with Department of Labor Regulations pursuant to the Davis-Bacon Act found in 29 CFR Parts 1, 3, 5 and 7 which enforce statutory labor standards provisions.

b. Sections 103 and 107 of the Contract Work Hours and Safe Standards Act (40 U.S.C. §§ 3701 *et seq.*), which provides that no laborer or mechanic shall be required or permitted to work more than eight hours in a calendar day or in excess of forty hours in any workweek, unless such laborer or mechanic is paid at an overtime rate of 1½ times his/her basic rate of pay for all hours worked in excess of these limits, under any construction contract costing in excess of $2000. In the event of a violation of this provision, the Contractor shall not only be liable to any affected employee for his/her unpaid wages, but shall be additionally liable to the United States for liquidated damages.

c. The Copeland "Anti-Kickback" Act (18 U.S.C. § 874), as supplemented by the regulations contained in 29 CFR Part 3, requiring that all laborers and mechanics shall be paid unconditionally and not less often than once a week, and prohibiting all but "permissible" salary deductions.

4. ASSIGNMENT OF RIGHTS AND REMEDIES. The Borrower acknowledges that the Lender, in consideration of the Community Development Block Grant disaster recovery ("CDBG-DR") funds awarded to it by SBS, assigns all of its rights and remedies under this Agreement and the Note to SBS (the "Assignment"). The Assignment shall be effective immediately upon the happening of one of more of the following events (i) the Subrecipient Agreement entered into between SBS and the Lender is terminated for any reason, or (ii) SBS, in its sole and absolute discretion, finds deficient performance or inadequate management capacity on the part of the Lender, SBS shall have the right to notify the Borrower to make payments due under the Note directly to SBS or its designee, and to enforce any and all obligations of the Borrower under the Note or any other loan instrument executed in connection herewith. Until such time as the SBS elects to exercise such rights upon written notice to the Lender and the Borrower, the Lender is authorized to collect payments and enforce all rights under this Agreement and the Note.

6. NO OBLIGATION. The exercise by Lender of or failure to so exercise any authority granted to the Lender in this Agreement shall, in no manner, affect the liability of the Borrower or any Guarantor to the Lender hereunder or under the Note or any other document executed in connection with the Loan and provided further, that the Lender shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and it shall be without liability for any act or failure to act. In addition, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code (whether or not the Code is in effect in the jurisdiction where rights and remedies are assured).

7. EVENTS OF DEFAULT. Any one of the following shall constitute a default hereunder and, if not cured during the applicable grace period, shall constitute an event of default hereunder:

a. The failure to pay the Note in accordance with its terms.

b. The breach of any covenant or obligation of the Borrower as set forth in this Agreement or in any document executed in connection with the Loan that is not cured within thirty (30) days after receipt of written demand by the Lender.

c. The falsity of any representation or warranty of the Borrower in connection with the Loan.

d. A material change in the conduct of the Borrower's business or its prospects for success.

8. WAIVER. No waiver by Lender of any default shall operate as a waiver of any other default of the same default on a future occasion. Borrower hereby waives promptness by Lender in making any demand upon it, and agrees that no delay by Lender in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. The powers and remedies given hereby shall not be exclusive of any other powers or remedies available to the Lender. No course of dealings between the Lender and the Borrower or any Guarantor, and no delay on the part of the Lender in exercising any rights with respect to any default shall operate as a waiver of any rights of the Lender.

9. SURVIVAL OF REPRESENTATIONS, WARRANTIES, COVENANTS, AND AGREEMENTS. All representations and warranties, covenants and agreements in this Agreement or any certificate or document delivered in connection with this Agreement or pursuant hereto shall survive the making of the Loan provided for herein. Any partial invalidity of the provisions hereof shall not invalidate the remaining portions hereof.

10. NOTICES AND DEMANDS. Any notices or demands required by this agreement, the Note, or supporting documents, shall be in writing and delivered personally or mailed to the party entitled to such notice or demand at the address set forth set forth in the first paragraph hereof, or at such other address as either party may notify the other in writing.

11. MISCELLANEOUS. This Agreement shall bind and inure to the benefit of the parties, their respective legal representatives, successors and assigns. If any part of this Agreement is found to be void or unenforceable, the remaining provisions shall nevertheless be binding. The headings of this Agreement are inserted only for purpose of convenient reference, and shall not be used in interpreting this Agreement. In construing this Agreement, feminine pronouns shall be substituted for those masculine in form (and vice versa), and plural terms shall be substituted for singular and singular for plural where the context so requires. This Agreement may be executed in several counter parts, each of which shall be considered a legal original for all purposes. Any counter part signed by both parties may be introduced into evidence in any action or proceeding without having to produce or account for the others. Likewise, this Agreement may be introduced into evidence by production of separate counterparts which collectively contain signatures of all parties and which are otherwise identical in all material respects. One or more parties may transmit his signature on this Agreement via telecopy, facsimile or other form of electronic transmission, and that such signature shall be binding and have the same effect as a manual signature upon the original.

12. CORRECTIVE DOCUMENTS. The Borrower shall, within seven (7) days of a written request by the Lender, execute any document(s) that the Lender determines, in its sole discretion, should have been executed at or before the closing of this loan.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this **LOAN AGREEMENT** to be executed and effective as of the day and year first above written.

NYBDC LOCAL DEVELOPMENT CORPORATION

By: _____

BORROWER

By: _____

GUARANTOR(S)

By: _____

STATE OF NEW YORK)
) ss:
COUNTY OF ALBANY)

On _____, 2013 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On _____, 2013 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Schedule I: Low- and Moderate-Income Job Creation and Retention Documentation

Low- and Moderate-Income Job Creation Documentation

Applicant attests the positions identified below will be created and filled within 12 months, and that first hire for these positions will be at the salaries indicated below:

Position	Salary	Hours Per Week	Planned Date of Hire

Note: if more positions then list on additional sheet and attach to this agreement and check here _____

Applicant agrees to maintain and provide as may be requested proof of the person in each position listed above. For Created Jobs, this proof includes documentation of the position salary at the time of first hire.

Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of hire in the case of created jobs. If Applicant must notify the Grantor if it will be unable to comply with the schedule listed above.

Low- and Moderate-Income Job Retention Documentation

Applicant attests that the positions identified below are currently filled with the corresponding average hours per week and salary, and that were it not for receipt of the requested CDBG-DR funds, these jobs would be lost:

Position	Salary	Hours Per Week

Note: if more positions then list on additional sheet and attach to this agreement and check here _____

Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of signature in the case of retained jobs.

NYBDC LOCAL DEVELOPMENT CORPORATION

GRANT AGREEMENT

DATE: _____, 20____

GRANTEE:

GUARANTOR:

GUARANTOR:

GRANTOR:

GRANT AMOUNT BY PURPOSE

EQUIPMENT

INVENTORY

WORKING CAPITAL

TOTAL GRANT AMOUNT:

WHEREAS, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.), the City of New York received major disaster declarations as a result of Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013

WHEREAS, pursuant to the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013), as amended ("Act"), Congress appropriated funds for the Community Development Block Grant Disaster Recovery ("CDBG-DR") program;

WHEREAS, the City of New York has received an allocation of CDBG-DR funds from the U.S. Department of Housing and Urban Development ("HUD");

WHEREAS, the City of New York, acting by and through the Department of Small Business Services ("SBS"), has engaged the Grantor to assist the City of New York in administering a loan and grant program for small businesses adversely affected by Hurricane Sandy and other eligible events, funded with CDBG-DR funds (the "Program"); and

WHEREAS, SBS has entered into an agreement with the Grantor (the "Subrecipient Agreement") which provides, among other things, that the Grantor shall account and report to SBS in respect to the Grantee's compliance under this Agreement.

NOW, therefore, the parties hereto hereby agree and as follows:

1. AMOUNT OF THE GRANT. The Grantor has agreed to provide a grant to the Grantee in the Grant Amount subject to the terms and conditions set forth in this Agreement (the "Grant").

2. REPRESENTATIONS, WARRANTIES, COVENANTS AND/OR AGREEMENTS OF GRANTEE. The Grantee represents, warrants, covenants, and/or agrees that as of the date of this Agreement or such other date as set forth herein and/or as the context of the Agreement requires:

a. All financial information provided to the Grantor (the "Financial Information") is true, correct, and complete in all material respects and truly represents the financial condition of the Grantee.

b. All information provided to the Grantor regarding the nature and extent of the damage suffered by the Grantee as a result of Hurricane Sandy, the other resources, including, but not limited to, insurance, grants, loans investments, claims, available to or received by the Grantee to compensate for said damage and all other information relating to the Grantee's eligibility for the Grant (collectively, the "Eligibility Information") is true, correct, and complete in all material respects.

c. There has been no material adverse change in the financial condition, assets or business prospects of the Grantee or, if the Grantee is not a natural person, any change in the ownership or management of the Grantee since the date of the Grantee's application for the Grant except to the extent disclosed to the Grantor in writing prior to the date hereof.

d. The Grantee has good and marketable title to all assets reflected in the financial statements of the Grantee.

e. The Grantee's assets are not subject to any liens or encumbrances except as disclosed in the Financial Information.

f. The Grantee has a federal employer identification number and all insurance, licenses, permits, and other approvals necessary to operate the business.

g. The Grantee is not a party to any agreement, or subject to any restriction, which materially and adversely affects its business, assets or financial condition.

h. No litigation in any court, arbitration proceeding or proceeding before any commission or other administrative authority is now pending or threatened against the Grantee.

i. There are no pending claims for insurance or compensation for damages to the Grantee's business which occurred on or after October 29, 2013.

j. The Grantee has filed all tax and similar returns and has paid or provided for the payment of all taxes and assessments now due and has no knowledge of any claims for taxes which might become a lien on the assets of the Grantee other than real property taxes not yet payable.

k. In connection with the business premises and/or facilities used by the Grantee to conduct business operations (collectively, the "Business Premises") (i) at the time the Grantee submitted the application for the Grant, the Business Premises was in compliance with all environmental

laws and regulations pertaining to the environment; (ii) the Grantee has and will continue to comply with all environmental laws and regulations relating to the environment; (iii) except as disclosed in connection with any environmental investigation of the Business Premises undertaken in connection with the Grant, the Grantee has no knowledge of any environmental contamination or other violation of environmental laws or regulations at the Business Premises; (iv) Grantee will promptly the Grantor if the Grantee knows, suspects or believes there may be any environmental contamination at, adjacent to or near the Business Premises or if any such property becomes the subject of any investigation or enforcement action by any governmental agency in connection with actual or suspected environmental contamination.

l. The Grantee will promptly pay or discharge all taxes, assessments or charges imposed upon it or any of its property and all lawful claims for labor and material which, if unpaid, might become a lien of charge upon such property.

m. The Grantee will keep proper books, records, and accounts in accordance with generally accepted accounting principals consistently applied and in a manner reasonably satisfactory to the Grantor.

n. The Grantee will furnish employment information to the Grantor (including each position title, work hours, and payroll) as requested by the Grantor. Please see attached Schedule I for additional information.

o. The Grantee will furnish year-end statements to the Grantor prepared within one hundred twenty (120) days of the Grantee's fiscal year end and such additional financial information and/or reports concerning the Grantee as the Grantor may, from time-to-time, request.

p. The Grantee will furnish, or cause to be furnished, to the Grantor personal financial statements for each guarantor within one hundred twenty (120) days of the Grantee's fiscal year end and such additional financial information and/or reports concerning any guarantor as the Grantor may, from time-to-time, request.

q. The Grantee will furnish a copy of the federal tax return (with schedules) filed by the Grantee and any guarantor to the Grantor within one hundred twenty (120) days of the Grantee's fiscal year end.

r. The Grantee will permit and hereby authorizes the Grantor, at the Grantee's expense, to (i) inspect and audit books, records, and papers relating to the Grantee's financial or business condition; and (ii) inspect and appraise any of the Grantee's assets.

s. The Grantee will not change the ownership structure or interests of the business of the Grantee without the consent of the Grantor, which shall not be unreasonably withheld or delayed.

t. The Grantee will not dispose of or destroy any equipment purchased with the proceeds of a grant without advance notice to the Grantor, except in the ordinary course of business.

u. The Grantee will not make any distribution of its assets (other than reasonable compensation for services) or make any loan or advance without the written consent of the Grantor.

v. The Grantee will permit the Grantor to have access, at all reasonable times, to the properties, files, books and financial records of the Grantee.

w. The Grantee hereby authorizes the Grantor and the City of New York to publish details of the Grant. Such information may include: name of the company; address; amount of the grant; use of grant proceeds; number of jobs created/retained.

x. The Grantee agrees to provide the Grantor with the contact information, to include name, address, phone number and e-mail address, of its bookkeeper, tax preparer, or certified public accountant and further authorizes said bookkeeper, tax preparer, or certified public accountant to furnish and release to the Grantor all of the financial information required by this Agreement to be provided to the Grantor by the Grantee.

y. The Grantee will notify the Grantor upon the occurrence of an Event of Default as provided in this Agreement.

z. The Grantee acknowledges that the distribution of such funds (CDBG-DR) is subject to all CDBG requirements pursuant to the program regulations set forth under Title 24 CFR Part 570, including subpart K.

aa. Loan proceeds may not be spent on expenses not reimbursable by the Federal Government, including those described in 2CFR200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

bb. Loan proceeds may not be used to settle tax arrears, real estate liens and costs associated with past tenancies, and associated debts.

cc. All equipment and inventory purchased, and all working capital expenses incurred and paid for with Loan proceeds may only be used in support of the location listed above for Borrower/Grantee

dd. Grantee will comply with provisions for training, employment and contracting in accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) by making good faith efforts to hire those persons who meet the United States Department of Housing and Urban Development ("HUD") guidelines for low/moderate income.

ee. Grantee will not discriminate against any person or business for employment based on race, color, religion, national origin, disability or family status. Grantee shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq*) and CFR HUD regulations issued pursuant thereto contained in 24 CFR Part 1. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1965 (42 USC 6101 *et seq*) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Vocational Rehabilitation Act of 1963 (29 USC Section 794) shall also apply to any such program activity. The Grantee shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

ff. Grantee will comply with all Community Development Block Grant regulations contained in 24 CFR, Part 570, Subpart I and published Federal Regulations related to CDBG-DR, and fulfill one of the following HUD National Objectives:

☐ Urgent Need

No additional documentation required.

☐ Low- and Moderate-Income Limited Clientele – Microenterprise

No additional documentation required.

☐ Low- and Moderate-Income Area Benefit

No additional documentation required.

☐ Low- and Moderate-Income Job Creation

See attached Schedule I for additional documentation required.

☐ Low- and Moderate-Income Job Retention

See attached Schedule I for additional documentation required.

gg. Grantee will comply with requests from HUD, SBS and their authorized representatives to provide access to examine all facilities, records, books, papers or documents related to the Grant and to fully cooperate in supplying all information required to meet CDBG monitoring and audit requirements.

hh. THE GRANTEE'S FAILURE TO COMPLY WITH THE NONDISCRIMINATION CLAUSES OF THIS AGREEMENT, OR WITH ANY OF THE FOREGOING RULES, REGULATIONS, REPRESENTATIONS WARRANTIES, COVENANTS OR REQUESTS, SHALL CONSTITUTE AN EVENT OF DEFAULT.

ii. THE GRANTEE SHALL COMPLY WITH ALL APPLICABLE REQUIREMENTS OF LAW, INCLUDING ALL APPLICABLE REQUIREMENTS OF LAW CONCERNING CIVIL RIGHTS, NON-DISCRIMINATION IN EMPLOYMENT AND WITH RESPECT TO INDIVIDUALS WITH DISABILITIES OR HANDICAPS, EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION PROGRAMS, LABOR STANDARDS (INCLUDING THOSE UNDER THE DAVIS-BACON ACT) AND ANY OTHER REQUIREMENT OF LAW APPLICABLE TO GRANTEE IN CONNECTION WITH THIS AGREEMENT OR OTHERWISE.

3. FEDERAL LABOR STANDARDS: If the proceeds of the Grant are used for or in connection with any construction the following provisions shall be applicable

a. The Davis-Bacon Act (40 U.S.C. §§ 3141 *et seq.*): In construction contracts involving an excess of $2000, unless exclusively in connection with the rehabilitation of residential property containing fewer than 8 units, all laborers and mechanics must be paid at a rate not less than those determined by the Secretary of Labor to be prevailing for the location where the work is to be performed. These wage rates are a federally mandated minimum only, and will be superseded by any State or City requirement mandating higher wage rates. The Grantee also agrees to comply with Department of Labor Regulations pursuant to the Davis-Bacon Act found in 29 CFR Parts 1, 3, 5 and 7 which enforce statutory labor standards provisions.

b. Sections 103 and 107 of the Contract Work Hours and Safe Standards Act (40 U.S.C. §§ 3701 *et seq.*), which provides that no laborer or mechanic shall be required or permitted to work more than eight hours in a calendar day or in excess of forty hours in any workweek, unless such laborer or mechanic is paid at an overtime rate of 1½ times his/her basic rate of pay for all hours worked in excess of these limits, under any construction contract costing in excess of $2000. In the event of a violation of this provision, the Contractor shall not only be liable to any affected employee for his/her unpaid wages, but shall be additionally liable to the United States for liquidated damages.

c. The Copeland "Anti-Kickback" Act (18 U.S.C. § 874), as supplemented by the regulations contained in 29 CFR Part 3, requiring that all laborers and mechanics shall be paid unconditionally and not less often than once a week, and prohibiting all but "permissible" salary deductions.

4. RECAPTURE: If at any time during the period commencing on the date of this Agreement and ending on the date that is the longer of 1 year from the date of this Agreement or the term of any loans received through the Business Recovery Loan and Grant Program (the "Recapture Period"), the Grantor determines in its sole discretion that the Grantee has closed for business or that an Event of Default has occurred and is continuing (a "Recapture Event"), then, Grantor will promptly give a notice to the Grantee of such determination. Upon receipt of said notice the Grantee will return all Grant funds disbursed to the Grantee under this Agreement within seven (7) days of the date of such notice.

5. ASSIGNMENT OF RIGHTS AND REMEDIES. The Grantee acknowledges that the Grantor, in consideration of the Community Development Block Grant disaster recovery ("CDBG-DR") funds awarded to it by SBS, assigns all of its rights and remedies under this Agreement to SBS (the "Assignment"). The Assignment shall be effective immediately upon the happening of one of more of the following events (i) the Subrecipient Agreement entered into between SBS and the Grantor is terminated for any reason, or (ii) SBS, in its sole and absolute discretion, finds deficient performance or inadequate management capacity on the part of the Grantor, SBS shall have the right to notify the Grantee to attorn directly to SBS or its designee, and to enforce any and all obligations of the Grantee under this Agreement and any other instrument executed in connection herewith. Until such time as the SBS elects to exercise such rights upon written notice to the Grantor and the Grantee, the Grantor is authorized to enforce all rights under this Agreement.

7. NO OBLIGATION. The exercise by Grantor of or failure to so exercise any authority granted to the Grantor in this Agreement shall, in no manner, affect the liability of the Grantee or any Guarantor to the Grantor hereunder or any other document executed in connection with the Grant and provided further, that the Grantor shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and it shall be without liability for any act or failure to act.

In addition, Grantor shall have all the rights and remedies of a secured party under the Uniform Commercial Code (whether or not the Code is in effect in the jurisdiction where rights and remedies are assured).

8. EVENTS OF DEFAULT. Any one of the following shall constitute a default hereunder and, if not cured during the applicable grace period, shall constitute an event of default hereunder:

a. The breach of any covenant or obligation of the Grantee as set forth in this Agreement or in any document executed in connection with the Grant that is not cured within thirty (30) days after receipt of written demand by the Grantor.

b. The falsity of any representation or warranty of the Grantee in connection with the Grant.

c. A material change in the conduct of the Grantee's business or its prospects for success.

9. WAIVER. No waiver by Grantor of any default shall operate as a waiver of any other default of the same default on a future occasion. Grantee hereby waives promptness by Grantor in making any demand upon it, and agrees that no delay by Grantor in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. The powers and remedies given hereby shall not be exclusive of any other powers or remedies available to the Grantor. No course of dealings between the Grantor and the Grantee or any Guarantor, and no delay on the part of the Grantor in exercising any rights with respect to any default shall operate as a waiver of any rights of the Grantor.

10. SURVIVAL OF REPRESENTATIONS, WARRANTIES, COVENANTS, AND AGREEMENTS. All representations and warranties, covenants and agreements in this Agreement or any certificate or document delivered in connection with this Agreement or pursuant hereto shall survive the making of the Grant provided for herein. Any partial invalidity of the provisions hereof shall not invalidate the remaining portions hereof.

11. NOTICES AND DEMANDS. Any notices or demands required by this Agreement or any document executed in connection with the Grant shall be in writing and delivered personally or mailed to the party entitled to such notice or demand at the address set forth set forth in the first paragraph hereof, or at such other address as either party may notify the other in writing.

12. MISCELLANEOUS. This Agreement shall bind and inure to the benefit of the parties, their respective legal representatives, successors and assigns. If any part of this Agreement is found to be void or unenforceable, the remaining provisions shall nevertheless be binding. The headings of this Agreement are inserted only for purpose of convenient reference, and shall not be used in interpreting this Agreement. In construing this Agreement, feminine pronouns shall be substituted for those masculine in form (and vice versa), and plural terms shall be substituted for singular and singular for plural where the context so requires. This Agreement may be executed in several counter parts, each of which shall be considered a legal original for all purposes. Any counter part signed by both parties may be introduced into evidence in any action or proceeding without having to produce or account for the others. Likewise, this Agreement may be introduced into evidence by production of separate counterparts which collectively contain signatures of all parties and which are otherwise identical in all material respects. One or more parties may transmit his signature on this Agreement via telecopy, facsimile or other form of electronic transmission, and that such signature shall be binding and have the same effect as a manual signature upon the original.

13. CORRECTIVE DOCUMENTS. The Grantee shall, within seven (7) days of a written request by the Grantor, execute any document(s) that the Grantor determines, in its sole discretion, should have been executed at or before the funding of this Grant.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this **GRANT AGREEMENT** to be executed and effective as of the day and year first above written.

NYBDC LOCAL DEVELOPMENT CORPORATION

By: _____
Andrew M. Linehan, VP

Business Name

By:_____

By:_____

_____
Business Signator

_____
Business Signator

STATE OF NEW YORK)
) ss:
COUNTY OF ALBANY)

On _____, 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared **ANDREW M. LINEHAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On _____, 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On _____, 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Schedule I: Low- and Moderate-Income Job Creation and Retention Documentation

Low- and Moderate-Income Job Creation Documentation

Applicant attests the positions identified below will be created and filled within 12 months, and that first hire for these positions will be at the salaries indicated below:

Position	Salary	Hours Per Week	Planned Date of Hire

Note: if more positions then list on additional sheet and attach to this agreement and check here _____

Applicant agrees to maintain and provide as may be requested proof of the person in each position listed above. For Created Jobs, this proof includes documentation of the position salary at the time of first hire.

Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of hire in the case of created jobs. If Applicant must notify the Grantor if it will be unable to comply with the schedule listed above.

Low- and Moderate-Income Job Retention Documentation

Applicant attests that the positions identified below are currently filled with the corresponding average hours per week and salary, and that were it not for receipt of the requested CDBG-DR funds, these jobs would be lost:

Position	Salary	Hours Per Week

Note: if more positions then list on additional sheet and attach to this agreement and check here _____

Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of signature in the case of retained jobs.

APPENDIX 6: Daily Tracking Report

Date Received	Borrower Business Name	Borrower Personal Contact Name	Loan Number	Address Line 1	Address Line 2	City	Zip Code	Phone Number	E-mail Address	SBS Counselor	BSC/IP Provider

Borough	Date to Admin	Screen-Out	Date of Screen-Out Email to SBS Counselor, Colleen & Crew	Loan Amount	Physical Loss	Business Loss	Grant Y/N	App. Grant Amount	Finalized Grant Amount	Date to Underwriters	Analyst

Approved	Declined	Ineligible	Comments for Declinations & Ineligibles	Withdrawn	Canceled	Date of Approval/ Declination	Debt Service Coverage	Date Closed	Date Funded	Date Closed NEW	Date Funded NEW

APPENDIX 7: Subrogation Agreement

SUBROGATION AGREEMENT

This Subrogation and Assignment Agreement ("Agreement") is made and entered into on this ___day of _____, 20____, by and between _____ ("Business") and the NYBDC-LDC) ("Grantor/Lender").

In consideration of Business' receipt of funds or the commitment by Grantor/Lender to evaluate Business' application for the receipt of funds (collectively, the "Grant/Loan Proceeds") under the City of New York's Community Development Block Grant - Disaster Recovery Business Loan & Grant Program for Hurricane Sandy recovery (the "Business Recovery Loan & Grant Program") administered by Grantor/Lender, Business hereby assigns to Grantor/Lender all of Business' future rights to reimbursement and all payments received from any grant, subsidized loan, or insurance policies of any type or coverage or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("FEMA") or the Small Business Administration ("SBA") (singularly, a "Disaster Program" and collectively, the "Disaster Programs") that was the basis of the calculation of Business Recovery Loan & Grant Program funds to the extent of Grant/Loan Proceeds paid or to be paid to Business under the Program and that are determined in the sole discretion of the City of New York to be a duplication of benefits ("DOB") as provided in this Agreement.
The proceeds or payments referred to in the preceding paragraph, whether they are from insurance, FEMA or the SBA or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds," and any Proceeds that are a DOB shall be referred to herein as "DOB Proceeds." Upon receiving any Proceeds not listed on the Duplication of Benefits Affidavit Business agrees to immediately notify the Grantor/Lender who will notify the City of New York of such additional amounts, and the City of New York will determine in its sole discretion if such additional amounts constitute a DOB. If some or all of the Proceeds are determined to be a DOB, the portion that is a DOB shall be paid to the Grantor/Lender, to be retained and/or disbursed as provided in this Agreement.

Business agrees to assist and cooperate with the Grantor/Lender elect to pursue any of the claims Business has against the insurers for reimbursement of DOB Proceeds under any such policies. Business' assistance and cooperation shall include but shall not be limited to allowing suit to be brought in Business' name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing record and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by the Grantor/Lender. Business further agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Business would be entitled to under any applicable Disaster Program.

If requested by the Grantor/Lender, Business agrees to execute such further and additional documents and instruments as may be requested to further and better assign to the Grantor/Lender, to the extent of the Grant/Loan Proceeds paid to Business under the Program, the Policies, any amounts received under the Disaster Programs that are DOB Proceeds and/or any rights thereunder, and to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the Grantor/Lender to consummate and make effective the purposes of this Agreement.

Business explicitly allows the Grantor/Lender to request of any company with which Business held insurance policies, or FEMA or the SBA or any other entity from which Business has applied for or is receiving Proceeds, any non-public or confidential information determined to be reasonably necessary by the Grantor/Lender to monitor/enforce its interest in the rights assigned to it under this Agreement and give Business' consent to such company to release said information to the Grantor/Lender.

If Business (or any lender to which DOB Proceeds are payable to such lender, to the extent permitted by superior loan documents) hereafter receives any DOB Proceeds, Business agrees to promptly pay such amounts to the Grantor/Lender, if Business received Grant/Loan Proceeds under the Program in an amount greater than the amount Business would have received if such DOB Proceeds had been considered in the calculation of Business' award.

In the event that the Business receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Affidavit ("Subsequent Proceeds"), Business shall pay such Subsequent Proceeds directly to the Grantor/Lender, and IDED will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("Subsequent DOB Proceeds"). Subsequent Proceeds in excess of Subsequent DOB Proceeds shall be returned to the Business. Subsequent DOB Proceeds shall be disbursed as follows:

1. If the Business has received full payment of the Grant/Loan Proceeds, any Subsequent DOB Proceeds shall be retained by the Grantor/Lender and remitted to IDED.
2. If the Business has received no payment of the Grant/Loan Proceeds, any Subsequent DOB Proceeds shall be used by the Grantor/Lender to reduce payments of the Grant/Loan Proceeds to the Business, and all Subsequent DOB Proceeds shall be returned to the Business.
3. If the Business has received a portion of the Grant/Loan Proceeds, any Subsequent DOB Proceeds shall be used, retained and/or disbursed in the following order: (A) Subsequent DOB Proceeds shall first be used to reduce the remaining payments of the Grant/Loan Proceeds, and Subsequent DOB Proceeds in such amount shall be returned to the Business; and (B) any remaining Subsequent DOB Proceeds shall be retained by the Grantor/Lender and remitted to IDED.
4. If the Grantor/Lender makes the determination that the Business does not qualify to participate in the Program or the Business determines not to participate in the Program, the Subsequent DOB Proceeds shall be returned to the Business, and this Agreement shall terminate.

Once the Grantor/Lender has recovered an amount equal to the Grant/Loan Proceeds paid to Business, the Grantor/Lender will reassign to Business any rights assigned to the Grantor/Lender pursuant to this Agreement.

Business represents that all statements and representations made by Business regarding Proceeds received by Business shall be true and correct as of the date of Closing.

NOTICE: Business and the person executing this Agreement on behalf of the Business are hereby notified that intentionally or knowingly making a materially false or misleading written statement to obtain property or credit, including a mortgage loan, is a violation of [*insert applicable law/regulation*] and, depending upon the amount of the Grant/Loan Proceeds, is punishable by [*insert potential terms of violation*].

The person executing this Agreement on behalf of the Business hereby represents that he\she has received, read, and understands this notice of penalties for making a materially false or misleading written statement to obtain the Grant/Loan Proceeds.

In any proceeding to enforce this Agreement, the Grantor/Lender shall be entitled to recover all costs of enforcement, including actual attorney's fees.

BUSINESS

[*insert business name*]

By:_____
Name:_____
Title:_____

GRANTOR/LENDER:

[*insert name of administrative entity*]

By:_____
Name:_____
Title:_____

APPENDIX 8: Analysis of Change in Working Capital and Cash Flow template

NYBDC LOCAL DEVELOPMENT CORPORATION
NYC – Recovery Grant and/or Loan Report

DATE		App #:		SBS Counselor		ANALYST	

BORROWER INFORMATION

BORROWER:		ESTAB		TYPE	
ADDRESS		STATE		ZIP	
CITY		COUNTY		TEL	
TYPE OF BUSINESS		NAICS #			

Business Description:	

SBS Process:

1. SBS has determined the loss and existing funding.
2. DOB funding sources are from the following:
   - $..... from Sandy1 program - $…. for $....inventory, $.... for moveable equipment $....., $....for working capital, $.... for other non Program eligible purposes
   - $..... from SBA - $…. for $....inventory, $.... for moveable equipment $....., $....for working capital, $.... for other non Program eligible purposes
   - $..... from Insurance companies - $…. for $....inventory, $.... for moveable equipment $....., $....for working capital, $.... for other non Program eligible purposes
   - $..... from …… program - $…. for $....inventory, $.... for moveable equipment $....., $....for working capital, $.... for other non Program eligible purposes

NYLDC Conclusion:

- The change is the working capital from the base line period is $.....
- The change in the cash flow from the base line period is $.....

P. Credit Score (Avg. of 20%+ owners)		High Score		Low Score		Bus. Equifax Score (468 or >)	

SIGNATURE:	X	X

Form Updated 6-19-14

Business Cash Flow – Cash Flow Positive:

	Historic	Historic	Historic	Interim	Projected
	2010	2011	2012	Date	Date
Net Profit	$0.0	$0.0	$0.0	$0.0	$0.0
-Distributions	0.0	0.0	0.0	0.0	0.0
+Depreciation	0.0	0.0	0.0	0.0	0.0
+Interest Expense	0.0	0.0	0.0	0.0	0.0
+ Personal Global CF (A)	0.0	0.0	0.0	0.0	0.0
+ Other Business Global CF	0.0	0.0	0.0	0.0	0.0
+ Other Business Global CF	0.0	0.0	0.0	0.0	0.0
Total Cash Flow	$0.0	$0.0	$0.0	$0.0	$0.0
Existing Debt Serv. (B)	0.0	0.0	0.0	0.0	0.0
Post storm Debt Serv. (C)	0.0	0.0	0.0	0.0	0.0
Total Debt Service	$0.0	$0.0	$0.0	$0.0	$0.0
Excess/ (Deficit) Cash Flow	$0.0	$0.0	$0.0	$0.0	$0.0
Base Line Period					

(A) Personal cash flow is positive, but add-back was not included in this analysis to remain conservative.
(B) Existing debt service is taken from the debt schedule provided in the Loan Application and it is as follows:

a.
b.

Historic Cash Flow:	**Comments**:
Working Capital Change:	**Comments:**
Cash Flow Change:	**Comments:**
Working Capital Gap Change:	**Comments**:
Reasonableness of Projection Assumptions:	**Comments**:
Other Business Cash Flow:	**Comments: N/A**

Personal - Financial Strength and Personal Cash Flow (Global)

Name	Date of Statement	Total Assets	Liquid Assets	Real Estate FMV	Liabilities	Net Worth	AGI	Credit Score

Comments –

Individual Name:			
	2010	2011	2012
Salaries and Wages			
Net Rental Income			
Interest Income			
Distributions			
Other Income			
Total Income	$0.0	$0.0	$0.0
Taxes			
Mortgages			
Other Term Debt			
Credit Cards			
Personal Living Expenses (A)			
Total Expenses	$0.0	$0.0	$0.0
Excess/(Deficit)	$0.0	$0.0	$0.0

(A) Footnotes

END OF LOAN REPORT

APPENDIX 9: Award Declination Letter Template

Small Business Services

Maria Torres-Springer
Commissioner

Gregg Bishop
Deputy Commissioner

110 William Street, 7th Floor
New York, NY 10038

Tel: 212- 513-6300
Fax: 212 – 618-8899

XX DATE XXX

Business owner name
Business Address

Re: Hurricane Sandy Business Loan and Grant Program

Dear Business Owner :

Careful consideration has been given to your request for a Business Grant and/or Loan under the City's Hurricane Sandy Community Development Block Grant Disaster Recovery Fund. We regret to inform you that we are unable to approve your financing request due to the following: it does not appear that BUSINESS NAME has demonstrated a Community Development Block Grant – Disaster Recovery (CDBG-DR) Unmet Need relating to Hurricane Sandy impacts.

Based on the materials you provided, you may be eligible for programs from other lenders that work with NYC Business Solutions. We encourage you to reach out to your NYC Business Solutions Account Manager to determine if you are eligible for assistance.

If you feel that you wish to appeal this decision, we request that you respond in writing within 15 business days and provide new supplemental information that directly addresses the above reasons for declination. All documents for appeals must be submitted within 30 days of receiving a decision letter.
Please send your appeal in writing to:

Business Recovery Team
C/O Executive Director, Business Recovery and Financial Services
NYC Department of Small Business Services
110 William Street, 2nd Floor
New York, NY 10038

Sincerely,

Gregg Bishop
Deputy Commissioner
Department of Small Business Services

APPENDIX 10: Transmittal Coversheet

CONFIDENTIAL DRAFT: NOT FOR DISTRIBUTION

Hurricane Sandy Business Loan & Grant Program: *Transmittal Coversheet*

General Applicant Information:

1. Business Legal Name:_____

2. Doing-Business-As Name:_____

I. Verification of Core Eligibility

NYC Business Solution Center staff have verified that:

- ❒ The Applicant business is a for-profit business
- ❒ The Applicant business is a small business[1] as defined by the SBA in 13 CFR Part 121
- ❒ The Applicant has demonstrated that the business, or at least one of their NYC business locations, has experienced loss, damage and/or interruption as a result of Hurricane Sandy
- ❒ The Applicant business and affiliated businesses with the same EIN are not on the Federal debarred list
- ❒ The Applicant is not a private utility

Note: NYBDC will perform the final A-87 eligibility check for all items to be purchased through this program through the disbursement process.

NOTE: Projects funded through this program will be eligible under 24 CFR 203(b), Special economic development activities, so long as the projects proposed do not include an ineligible element as described in 24 CFR 207(a).

Application Documentation

NYC Business Solution Center staff have collected **all** of the following documentation to submit to NYLDC and verified it as indicated below:

- ❒ List of related companies (if applicable)
- ❒ List of assistance received (send the DOB tab of the full application)
- ❒ Complete copy of 2010, 2011, 2012 and 2013 business federal, New York State and New York City income tax returns if applicable, including all schedules and attachments (tax return availability may vary depending on businesses age)
- ❒ All applicable debt schedules and projections
- ❒ Completed IRS Form 4506T for business applicant (individual if business operations reported on personal tax return) with original signature, complete lines 1-4 only exactly as shown on your most recent filed federal tax returns (form will be completed by lending intermediary for submission to IRS)

[1] Affiliate businesses that each have a separate EIN number and which are not eligible or are not part of the application for assistance through this Program will not be considered when verifying that the Applicant is a small business as defined by the SBA.

- ❒ Interim financial statements dated within 60 days of submission of this application.

- ❒ For all principal owners (20% or more as indicated by tax returns), the applicant has submitted the following documentation:

  - ❒ Complete SBA Form 413
  - ❒ Complete 2010, 2011, 2012 and 2013 personal income tax returns.

A. Note-to-Files, Correspondence Letters, and SBA Declination documentation

- ❒ Business Solutions Center staff have included all note-to-file's to clarify and/or explain changed content within the Applicant's file, as necessary.

- ❒ Business Solutions Center staff have included all notifications and documentation of written and verbal communication with the Applicant (i.e. correspondence letters), as necessary.

- ❒ If the Applicant has declined SBA assistance, and if the Applicant's explanation of why they declined such assistances matches at least one circumstance outlined in the Initial Determination Form (please refer to the Policies and Procedures for more detailed descriptions of each circumstance), Business Solutions Center staff have signed and included the Initial Determination Form with the corresponding circumstance checked.
  - If the applicant falls into Circumstance #1, as outlined in the Initial Determination Form, Business Solutions Center staff have inserted the dates the applicant was awarded and received assistance within the Circumstance #1 Time Sheet, and included with the Applicant's file. Business Solution Center staff have included any applicable documentation, beyond what has already been provided by the applicant, to verify the dates inserted in the Circumstance #1 Time Sheet.

Reviewer 2 below should be more senior to Reviewer 1 to ensure accuracy of eligibility determination.

NYC Business Solution Center Reviewer 1:	*NYC Business Solution Center Reviewer 2:*
_____	_____
(Signature)	*(Signature)*
_____	_____
(Print Name)	*(Print Name)*
_____	_____
(Job Title)	*(Job Title)*
_____	_____
(Date)	*(Date)*

APPENDIX 11: Commitment Letter Template

Maria Torres-Springer
Commisisoner

Gregg Bishop
Deputy Commissioner

110 William Street, 7th Floor
New York, NY 10038

Tel: 212-513-6300
Fax: 212-618-8899

July 27, 2015

Re: Your Application to The City of New York's Hurricane Sandy Business Loan and Grant Program ("Program")

Applicant ID: found in l/g report
Grant Amount: $ -
Loan Amount: $ -
Impacted Business:

Dear Business Owner:

Thank you for your application for assistance to the City of New York's Hurricane Sandy Business Loan and Grant Program ("Program"). The Program was established to aid in the recovery of businesses that were damaged or had business activity significantly disrupted as a direct result of Hurricane Sandy. We've made the following determination of your award:

Grant Amount $ -
Grant Purpose
Working Capital $ -
Inventory $ -
Moveable Equipment $ -

Loan Amount $ -
Loan Purpose
Working Capital $ -
Inventory $ -
Moveable Equipment $ -

IF APPLICABLE
Term: 5 years
Amortization: 4.75 years
Interest Rate: The interest rate will be fixed at one (1%) percent

Award Calculation: The City has made the final determination of the Hurricane Sandy-related Need, Assistance provided for that Need from other sources, and Unmet Need eligible for assistance under this program. We reviewed the information submitted in your application according to the guidelines of the Hurricane Sandy Business Loan and Grant Program outlined by the Department of Small Business Services. This information included but was not limited to; loss information provided by the Impacted Business and financial information for the Impacted Business such as tax returns, interim financial statement and projected cash flow statements.

Impacted Businesses have experience physical and/or economic losses. They may have suffered an economic loss with or without accompanying loss of tangible assets. The economic losses impact a business's working capital. These losses are determined by an analysis of the impacted businesses' financial condition before the storm compared to the condition after the storm. The analysis may include a recognized deterioration in the working capital position; increased debt from sources other than government issued or sponsored loans and grants for storm relief and/or reductions in cash flow.

Disbursement Requirements: Applicant will provide to New York Business Development Corporation – Local Development Corporation (NYLDC) documentation to substantiate the use of funds prior to a closing date being established. Disbursement will be made with jointly payable checks to applicant and vendor based on submission of inventory and moveable equipment invoice(s). Multiple advances may be allowed at the discretion of NYLDC. If your business is currently closed disbursement of funds is contingent on the reopening of the business as demonstrated by an executed lease. The final determination of the dollar amount and acceptability of documentation presented for substantiation is at the sole discretion of the City.

If you have replaced inventory/equipment that is counted towards your overall award in the Full Application – such that you can no longer be reimbursed for them - Applicants have the option to submit a formal appeal by providing updated financials and/or receipts documenting the purchases. These items can then be considered for an updated assessment of working capital need.

Other Conditions: 1. Grantee/Borrower will comply with all Community Development Block Grant regulations contained in 24 CFR, Part 570, Subpart I and published Federal Regulations related to HUD Community Development Block Grant – Disaster Recovery (CDBG-DR), and fulfill one of the following U.S. Department of Housing and Urban Development (HUD) National Objectives (check one):

☐ Urgent Need
No additional Documention needed

☐ Low-and Moderate-Income Clientele-Microenterprise
No additional documentation required

☐ Low-and Moderate-Income Area Benefit
No additional documentation required

☐ Low-and Moderate-Income Job Creation
See Schedule 1 below for additional documentation required

☐ Low-and Moderate-Income Job Retention
See Schedule1 below for additional documentation

If you disagree with the award decision of the Program, or if you have any questions concerning your application for assistance, please contact your designated NYC Business Solutions Account Manager. Accepting the awarded assistance does not waive the applicant's ability to appeal or reapply for additional assistance to this or other programs in the future.

Please note: this Commitment Letter will only be valid once this Letter and the Full Application, included with this document, have been signed. this Commitment Letter shall expire on (Date) unless accepted prior to that time and if accepted, it will expire on (Date) unless this award is closed and funded prior to that date.

Sincerely,

Gregg Bishop
Deputy Commissioner

Agreed and accepted _____ 2015

Print Name: _____

Signature: _____

Enclosed: Final Application

Schedule 1: Low-and Moderate-Income Jobs Creation and Retention Documentation

Low-and Moderate-Income Job Creations Documentation

Applicant attests the positions identified below will be created and filled within 12 months, and the first hire for these positions will be at the salaries indicated below:

Position	Salary	Hours/Week	Planned Date of Hire

Note: if more positions will be created, attach on an additional sheet and check here: ☐

Applicant agrees to maintain and provide proof of the person in each position listed above as may be requested. For Created Jobs, this proof includes documentation of the position salary at the time of first hire.
Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of hire in the case of created jobs. The Applicant must notify NYC Department of Small Business Services (Grantor) if he will be unable to comply with the schedule listed above.

Low- and Moderate-Income Job Retention Documentation

Applicant attests that the positions identified below are currently filled with the corresponding average hours per week and salary, and that were it not for receipt of the requested CDBG-DR funds, these jobs would be lost:

Position	Salary	Hours/Week

Note: if more positions will be retained, attach on an additional sheet and check here: ☐

Applicant further agrees to maintain all positions identified above as filled positions for a minimum of one year from the date of signature in the case of retained jobs.

APPENDIX 12: SBA Determination Form

HSBLGP SBA DETERMINATION FORM

Based on the review of Applicant [Insert Letter]'s file, I, the Applicant's Account Manager, have determined that the Applicant's circumstance, as described in their Full Application form, fall into one or more of following circumstances vetted by NYCEDC and SBS as a circumstance in which funding an Applicant who has declined SBA assistance because of such corresponding circumstance(s) is necessary and reasonable cost for business recovery, as described in more detail in the program's Policies and Procedures:

Circumstance #1: The Applicant required funds more quickly for financial or business operational reasons than when SBA assistance would have arrived and took steps to secure more readily available financing accordingly; to demonstrate this circumstance, I have included documentation of:

- the dates on which SBA assistance was applied for and notification of was received (as outlined in the "Circumstance #1 Time Sheet")
- the dates on which alternative assistance was applied for and/or executed (as outlined in the "Circumstance #1 Time Sheet")
- the level of damages sustained (included in Application Package/Loan and Grant Report)

Circumstance #2: The Applicant could not afford to repay the SBA loan at the time it was offered because the debt, debt service, cost of purchasing flood insurance, significant increases to existing food insurance premiums, or a combination of one or more of these factors would have significantly impeded the businesses post-storm financial position. Businesses may also provide documentation that the SBA assistance required the pledging of substantial business assets and guarantees secured by personal assets, which would hamper their ability to grow in the future.

Circumstance #3: The Applicant is unable to provide the collateral required to receive SBA assistance. To demonstrate this circumstance, I have included documentation that sufficiently certifies the applicant cannot provide the collateral requested by SBA. For instance, if the Applicant cannot provide as collateral security interest in the co-op they have interest in, the Applicant has provided meeting minutes, a letter from the co-op president, and/or co-op by-laws that indicate the applicant cannot provide such interest as collateral to receive SBA assistance.

_____	_____	_____
Account Manager's Name	*Signature*	*Date*

APPENDIX 13: Retail Market Area's Memo

NYCEDC
New York City Economic Development Corporation

MEMORANDUM

To: U.S. Department of Housing and Urban Development

From: Michael Moynihan, PhD, Chief Economist

Subject: Hurricane Sandy Community Development Block Grant Disaster Recovery Grant Program – Retail Market Areas

Date: September 18, 2013

Summary
As part of the Hurricane Sandy Community Development Block Grant Disaster Recovery (CDBG-DR) grant program administered by the U.S. Department of Housing and Urban Development (HUD), the New York City Economic Development Corporation (NYCEDC) Economic Research and Analysis Department has estimated the market areas for various types of retail businesses in New York City (NYC). The NYCEDC Economic Research and Analysis department undertook this analysis as part of its mission to conduct economic analysis of City projects, complete industry and economic research, and track economic trends affecting New York City. A market or trade area, in industry literature, refers to the geographic area from which a retail entity derives a majority of its repeat customers or sales, typically 70–80 percent of total sales.[1]

The grant program requires that at least 50 percent of each grantee's CDBG-DR grant award be used for activities that benefit low- and moderate-income persons. Applicants can demonstrate benefits to low- and moderate-income (LMI) persons by qualifying under one of the following three National Objectives, as defined by HUD:

(1) LMI Income Job Creation/Retention National Objective, meaning the business creates or retains permanent jobs, 51 percent of which, on a full time equivalent (FTE) basis, are either held by or considered to be available to low- and moderate-income persons
(2) LMI Limited Clientele (Microenterprise) National Objective, meaning the business is a micro-enterprise with five or fewer employees (one or more of whom owns the business) and the owner's household income is low- and moderate-income; or
(3) For the LMI Area (LMA) Benefit National Objective the business provides goods and services to an area where more than 51 percent of the residents are low- and moderate-income.

HUD's Economic Development Toolkit indicates that HUD will generally accept a grantee's determination of service areas as long as they are reasonable, and advises taking into account the nature of the activity, the location of the activity, accessibility issues, and the availability of comparable activities. In accordance with this guidance, we have estimated market areas for retail businesses located in New York City based on industry standards, the supply of retail in the city, and input from real estate professionals. The methodology used to establish these areas is described in this memo, and the results are summarized in Table 1, below.

---

[1] International Council of Shopping Centers (ICSC), http://www.icsc.org/research/research-on-demand-videos/a-learning-series/creating-retail-trade-areas

MEMORANDUM

These estimates of market area size can be used in combination with data on income obtained at the census tract level from the Bureau of the Census to determine, with respect to the LMI Area Benefit National Objective, whether 51 percent of the residents served by the business in question are of low- and moderate-income.

Table 1: Estimated Market Areas by Retail Type and Location

Type of Retail	Description	Market Area	
		Manhattan	All Other Boroughs
Neighborhood	A retailer whose primary market area is residents in the immediate neighborhood. (Examples: grocery stores and bodegas)	1/4-mile radius	3/4-mile radius
Community	A retailer that offers everyday goods such as food and toiletries, as well as personal services. In NYC, essentially the same as neighborhood retail. (Examples: drug store, dry cleaner, nail salon)	1/4-mile radius	3/4-mile radius
Specialty	A retailer that offers a unique item or service. (Examples: bicycle shop, jewelry store, fabric store)	3-mile radius	5-mile radius
Big Box	National retailer with a store size anywhere from 20,000 SF to 200,000 SF. (Examples: Target, Costco, Home Depot)	3-mile radius	5-mile radius

Source: NYCEDC analysis of data from the International Council of Shopping Centers (ICSC) and Urban Land Institute (ULI)

Methodology

The methodology for determining market sizes incorporates many of the considerations recommended by the HUD Economic Development toolkit, including the nature of the business's activity, the location of the activity, accessibility issues, and the availability of comparable business activities. Market area size and boundaries for retail establishments are determined by a variety of factors, including accessibility, physical barriers, transportation, and location of competing retail. Market areas differ based on the types and combinations of retail establishments in question. The more often customers visit a retailer and the more perishable the goods it offers, the smaller the retailer's market area is. In contrast, the wider the variety of a merchant's offerings, the more unique its merchandise, and the less perishable its goods, the greater its market area is.[2] Department stores and home appliance centers, for example, typically serve wider market areas than convenience stores or coffee shops. What is true of individual stores is also generally true of stores aggregated within shopping centers and malls. A regional shopping center anchored by two department stores typically serves a wider market area

[2] See Wheaton, William C. and DiPasquale, Dennis, *Urban Economics and Real Estate Markets*, New York: Prentice Hall, 1995.

than a neighborhood strip center anchored by a grocery store. (Both may, however, house a coffee shop that serves visitors to the mall, in the first instance, or neighborhood residents, in the second.)

While the range of retail establishments and their combinations are vast, the International Council of Shopping Centers (ICSC) and Urban Land Institute (ULI) have developed industry-standard market areas for a variety of shopping centers types, summarized in Table 2 below.

Table 2: Industry-Standard Market Areas by Retail Type

Type of Shopping Center	Description	Market Area
Neighborhood	Sells convenience goods and provides personal services that meet the day-to-day living needs of the immediate area.	1- to 2-mile radius
Community	Also provides for daily necessities, but adds more apparel and specialty store space.	2- to 3-mile radius
Specialty	A retailer that offers a unique item or service.	3- to 5-mile radius
Big Box	National retailer with a store size anywhere from 20,000 SF to 200,000 SF.	5- to 10-mile radius

Sources: ICSC and ULI

These standards generally apply to suburban shopping centers that serve areas that, on average, are less densely populated than NYC. Suburban customers are more likely to employ automobile transportation than residents of NYC. People are more dispersed nationally, on average, than in NYC, and so too are businesses. Accordingly, these market-area standards cannot be applied directly to NYC. In NYC, stores can locate closer together than in the suburbs and still reach an adequate number of customers due to higher densities. Customers may be less willing to travel to visit a store due to reliance on public transportation. Indeed, ULI acknowledges that in denser areas, market areas can shrink by as much as 50 percent.

Moreover, NYC is comprised of five distinct boroughs, and the shopping experience varies by borough. The four boroughs other than Manhattan, while still comparatively dense and accessible to public transportation, can in some ways resemble suburbs with regard to shopping behavior and retail supply. Car ownership is more prevalent in some boroughs than others.

As a result, we elected to adapt the industry market area sizes in Table 1 for NYC. These NYC-specific adaptations of industry standards were developed with feedback and input from commercial real estate brokers who specialize in NYC retail. The estimated market areas shown in Table 1 are smaller than ICSC and ULI industry standards. Table 1 also provides separate market area estimates for Manhattan and the other four boroughs grouped together (Bronx, Brooklyn, Queens, and Staten Island).

MEMORANDUM

Whereas the classic suburban community center is larger than a neighborhood center and, according to ULI and the ICSC, serves a wider market area, these two types of centers share many types of stores. Both house convenience stores selling groceries, drugs, and personal services. Accordingly, when located on shopping streets within NYC, as opposed to combined within shopping centers of differing overall size, these two categories of retail are largely equivalent. Neighborhood retail describes stores whose primary market areas are residents in the immediate neighborhood, such as grocery stores. Community retailers sell everyday goods (e.g., drugs/medication, takeout food, and general merchandise) and provide personal services (e.g., dry cleaning, nail salon, and shoe repair). For Manhattan, we estimate the market area for these types of retail businesses to have a ¼-mile radius. This estimate is based on the supply of neighborhood/community retail in the city and receives additional confirmation from the NYC Food Retail Expansion to Support Health (FRESH) program (an initiative that offers zoning and financial incentives to promote the establishment and retention of neighborhood grocery stores in underserved communities) that defines a grocery store's market area as a ¼-mile radius. For all other boroughs, we have assumed the neighborhood and community retail market areas to have a ¾-mile radius, based on ULI's acknowledgement of smaller market areas for denser populations, cited above, along with the previously-mentioned input from NYC commercial real estate brokers.

Specialty retailers generally offer a unique item or services. Examples of this type of retailer would be a bicycle shop, a jewelry store, or a fabric store. In Manhattan, we estimate the market area for this type of retail to have a 3-mile radius. In all other boroughs, we estimate the market area to have a 5-mile radius.

Big-box stores in Manhattan typically do not follow the traditional format. Given space limitations, the high cost of structured parking, and the greater reliance on public transportation in NYC, big-box retailers usually are smaller in size; therefore, market areas tend to be smaller as well. As such, big-box retail in Manhattan is similar to specialty retail, and we have estimated its market area to have a 3-mile radius. We also reviewed the current supply of big-box retail in boroughs outside of Manhattan in order to estimate the market area in these boroughs. Based on the locations of various big box retailers outside Manhattan, we estimate this category to have a 5-mile radius.

To provide a further check on these market area estimates, NYCEDC obtained data from the Department of Small Business Services (SBS) on trade areas of businesses. This data is obtained by SBS in the course of conversations between SBS staff and business owners seeking assistance; it is collected on an ad-hoc basis and not always provided in a consistent format. Records may contain information on location, sector, subsector, and radius of blocks served. The latter figure, radius of market served in city blocks, is a rough measure of a business's market area. However, a majority of the relevant records are missing data—in particular, subsector descriptions. For this reason, the SBS data was employed only as a check on the methodology described above, rather than as a primary data source.

Within the limitations of the data, the NYCEDC Economic Research team designated business records as retail or non-retail. Examples of businesses designated as retail are restaurants,

repair shops, beauty salons, dry cleaners, drug stores and clothing stores. NYCEDC designated just over 1,300 SBS records as retail. The records lacked sufficient information to assign businesses to a category of retail (i.e., neighborhood, community, specialty, or big box). The average radius of areas served by the entire universe of businesses designated as retail was 44.5 blocks. To convert blocks to miles, it is necessary to employ a conversion factor. Using an average block length of 507 feet, the average of 44.5 blocks equates to a radius of 4.3 miles.[3] This estimate is consistent with the range cited in Table 1 for specialty and big-box store range of 3 to 5 miles. Thus the SBS data provides qualified support, within the limitations of the data, for the estimates provided in Table 1.

Once the area served by a retailer is calculated from its radius, the percentage of residents in a given service area that are low- and moderate-income can be determined by identifying all contiguous census tracts within that service area, calculating the total number of residents in those census tracts, calculating the total number of low- and moderate-income residents in those census tracts, and dividing the total number of low- and moderate-income residents by the total number of residents. Data on the percentage of low- and moderate-income residents in each census tract is based on the most recent available data from the US Department of Housing and Urban Development (HUD), based on 2000 census data and revised in 2007. This information will be updated with percentages based on the 2010 census data when released.

Examples

Table 3 provides an example of this methodology for Manhattan, and Table 4 provides an example for a borough outside of Manhattan, specifically Brooklyn. The attached maps provide a geographic representation of the Manhattan and Brooklyn service areas and associated service area census tracts.

Table 3: Example ¼-mile Business Service Area and Low/Moderate-Income Percentage

Borough	Census Tract	Total Residents	Low/Moderate-Income Residents	Low/Moderate Income Percentage
Manhattan	1020000	2,302	1,415	
Manhattan	1020702	1,990	1,369	
Manhattan	1020800	3,775	2,319	
Manhattan	1020901	3,521	2,973	
Manhattan	1020902	900	735	
Manhattan	1021301	4,043	3,297	
Manhattan	1021302	204	195	
Manhattan	1021701	1,386	999	

[3] See Tauranac, John, *Manhattan Block by Block: A Street Atlas*, New York: Tauranac Maps, 2008, cited in "Knowing the Distance," *The New York Times*, 17 September 2006, http://www.nytimes.com/2006/09/17/nyregion/thecity/17fyi.html. According to the *Times* article, street or North-South blocks average 264 feet in Manhattan (20 blocks per mile), while avenue or East-West blocks average 750 feet in length. In turn, NYCEDC averaged these figures to arrive at an average feet-per-block conversion factor for the City of 507 feet.

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Manhattan	1021702	2,678	2,283	
Manhattan	1022000	4,915	3,310	
Manhattan	1022200	2,165	1,732	
Manhattan	1022400	6,029	5,059	
Manhattan	1022600	3,589	2,945	
	Total:	**37,497**	**28,631**	**76.36%**

Table 4: Example ¾-mile Business Service Area and Low/Moderate-Income Percentage

NYCEDC
New York City Economic Development Corporation

MEMORANDUM

Borough	Census Tract	Total Residents	Low/Moderate-Income Residents	Low/Moderate-Income Percentage
Brooklyn	3030300	3,232	2,688	
Brooklyn	3035700	2,396	1,922	
Brooklyn	3035900	4,920	4,227	
Brooklyn	3036100	2,635	2,236	
Brooklyn	3036300	3,590	3,106	
Brooklyn	3036501	2,429	1,874	
Brooklyn	3036502	858	595	
Brooklyn	3088200	6,767	4,711	
Brooklyn	3088400	5,091	3,621	
Brooklyn	3088600	4,650	3,357	
Brooklyn	3088800	4,124	2,743	
Brooklyn	3089000	6,138	4,850	
Brooklyn	3089200	3,921	3,041	
Brooklyn	3089400	3,587	2,177	
Brooklyn	3089600	3,654	2,416	
Brooklyn	3089800	1,530	817	
Brooklyn	3090000	5,520	4,552	
Brooklyn	3090200	3,619	2,705	
Brooklyn	3090400	760	393	
Brooklyn	3090600	4,864	4,374	
Brooklyn	3090800	2,589	2,333	
Brooklyn	3091000	5,580	5,192	
Brooklyn	3091200	7,340	6,833	
Brooklyn	3091400	1,665	1,237	
Brooklyn	3091600	3,981	3,157	
Brooklyn	3091800	2,870	2,007	
Brooklyn	3092000	3,048	2,029	
Brooklyn	3092200	2,709	1,611	
Brooklyn	3092800	2,834	1,464	
Brooklyn	3093000	2,793	1,688	
Brooklyn	3109800	989	554	
Brooklyn	3113000	3,544	2,896	
Brooklyn	3113200	1,453	1,132	
Brooklyn	3113400	2,264	1,932	
Brooklyn	3113600	116	115	
Brooklyn	3113800	137	118	
Brooklyn	3115600	3,938	3,585	
	Total:	**122,135**	**94,288**	**77.20%**

APPENDIX 14: Identifying Changes in Working Capital and Cash Flow

Identifying Changes in Working Capital and Cash Flow

Prepared by: NYBDC Local Development Corporation
Updated 6-21-14

NYLDC will analyze the historic financial statements/tax returns to determine the changes in working capital and cash flow to assist SBS in their determination of funding for the storm Sandy disaster program. The analysis of the Applicant will be on a "Global Cash Flow" basis with consideration of personal cash flow and affiliated companies (if applicable).

Working Capital Changes – This analysis is a quantitative analysis based on the financial information provided by the Applicant which includes, but is not limited to, historic FYE tax returns, interim financial statements (balance sheet and profit and loss statements), current accounts receivable and accounts payable aging schedules and projected monthly cash flow statements.

- **Identify the Base Line Working Capital -** Working Capital is formula and represents the difference between current assets and current liabilities as shown on the FYE tax returns and interim statements. The most recent FYE tax return dated prior to the storm should be used as the "base line" value to determine the Applicant's Working Capital position. If there were unique business occurrences that affected the base line tax return and working capital, an extended discussion should be provided if a different "base line" figure is proposed.

- **Determine the Post-Sandy Deterioration in Working Capital -** Once the "base line" working capital is determined the analysis will next identify the dollar amount of any deterioration to the working capital calculation shown on the post Sandy FYE tax return and the interim financial statement. This deterioration in the working capital must be shown to be a result of losses that have been absorbed by a contraction of current assets (example – cash flow losses funded by inventory sold and not replaced) and/or increases in current liabilities (example: cash flow losses funded by borrowing under a line of credit and/or extending vendor credit terms). NYLDC will report to SBS any deterioration in the working capital.

- **Identify Post Sandy Funding and the Impact on Working Capital –** Funding from post Sandy sources will be represented by changes to the Applicant's leverage and/or financial strength that did not exist prior to Sandy. An analysis will be performed to identify and quantify the changes and how it affects working capital. NYLDC will identify the sources and comment on their impact on working capital. Non DOB sources of funding can be considered by SBS for an award.

- **Working Capital Analysis for Negative Cash Flow Applicants** – If in the base line cash flow analysis (discussed below) the applicant has a negative cash flow, a balance sheet working capital analysis will not be performed. The reason for this is because the effect is that a cash flow negative situation will have an equal impact on the balance sheet. If the balance sheet effect was considered it would be double counting the increased loss.

Cash Flow Changes

- **Determine Pre-Sandy Base Line Net Cash Flow -** Net Cash Flow is determined by a global cash flow analysis. The analysis will first determine an amount for the base line year to identify the pre-Sandy amount. As is the case with the working capital base line determination, if there were unique business occurrences that affected the base line tax return net cash flow that should be

considered then an extended discussion should be provided if a different "base line" figure is going to be used.

- **Determine Post-Sandy Net Cash Flow –** Post-Sandy Net Cash Flow should only include debt service requirements for pre-Sandy debt. Post-Sandy debt service is excluded as the analysis is determining the direct comparison to the company's pre-Sandy financial structure and net cash flow in order to determine if there was in a decrease in net cash flow after Sandy. The changes to cash flow will be reported to SBS.

    - For Applicants that started just prior to the storm and had no Base Line Cash Flow the SBS has determined that a base line should be $0. NYLDC will report to SBS any negative change in cash flow from the $0 starting point.

- **Determine the Post-Sandy Net Cash Flow for Interim Statement -** Consideration needs to be given to the fact that the interim period is a partial year thus partial cash flow. Gaps in working capital going forward in the projected period will be addressed in the Working Capital Gap analysis based on the projections. The analyst must also consider the quality of the interim statement and determine if the figures are considered reliable. Statements that do not balance or have other discrepancies should not be considered for a cash flow analysis.

Working Capital Gap

If the analysis of the Applicant's working capital needs in the projected indicates a gap going forward then this will be reported to the SBS. Projections should only be considered if they are deemed to be reasonable. No balance sheet analysis is included for the projected periods.

APPENDIX 15: Circumstance #1 Time Sheet

HSBLGP CIRCUMSTANCE #1 TIME SHEET

When did the Applicant apply for SBA assistance? _____

When did the Applicant receive notification of award acceptance? _____

When did the Applicant reject SBA assistance? _____

What other assistance did the Applicant apply for instead? _____

_____

_____

When did the Applicant apply for this assistance? _____

_____

_____

When did the Applicant receive this assistance? _____

_____

_____

_____	_____	_____
Account Manager's Name	*Signature*	*Date*

APPENDIX 16: Business Policy for Declined SBA Assistance

HSBLGP BUSINESS POLICY FOR DECLINED SBA ASSISTANCE

The following policy for declined SBA assistance largely reflects guidance provided by HUD on July 25, 2013 titled "HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance", in conjunction with the revised "OMB Circular A-87" released on May 10, 2004. This policy will be reviewed on a regular basis by SBS and NYCEDC, and updated based on new information learned as part of processing loans and/or grants under this Program.

Step 1: Determine if an Applicant has declined SBA assistance, and if so, identify rationale:
During the Application Preparation, Packaging and Verification stage (Step 4), the NYC BS Account Manager will confirm the status of duplicative SBA assistance to the Applicant (i.e. SBA assistance that falls into categories of moveable equipment, inventory and working capital.

If the Applicant has been approved for SBA assistance and officially accepted such assistance by executing the SBA loan documents, the NYC BS Account manager will verify that this assistance is counted in the Duplication of Benefits analysis within the Full Application.

If the Applicant has been approved for SBA assistance and officially accepted such assistance by executing the SBA loan documents, but only plans to draw down a portion of the approved assistance, the NYC BS Account Manager will ensure that all of the approved SBA assistance will be counted in the Duplication of Benefits Analysis within the Full Application.

If an Applicant's approved SBA award changes, the revised SBA award will be counted in the Duplication of Benefits analysis.

If an Applicant has been approved for SBA assistance and officially declined all such assistance, the amount for which they were approved will still be counted in the Duplication of Benefits analysis within the Full Application, except in cases where the Applicant has a compelling business and/or financial reason for declining the assistance, which can demonstrate why providing CDBG-DR funded loans and/or grants is necessary and reasonable for business recovery. Such compelling business and/or financial reasons include:

1. The Applicant required funds more quickly for financial or business operational reasons than when SBA assistance would have arrived and took steps to secure more readily available financing accordingly; and/or
2. The Applicant could not afford to repay the SBA loan at the time it was offered because the debt, debt service, cost of purchasing flood insurance, significant increases to existing flood insurance premiums, or a combination of one or more of these requirements associated with SBA assistance would have significantly impeded the businesses post-storm financial position.
3. The Applicant is unable to provide the collateral required to receive SBA assistance.

The NYC BS Account Manager will ensure the Applicant clearly identifies the circumstances under which the Applicant declined SBA assistance within the Letter. For example, if an Applicant explains that they declined SBA assistance because they needed to secure more readily available financing, NYC BS Account Manager will ensure the Applicant describes the urgency that made alternative financing more necessary, prudent and reasonable.

It should be noted that the statement provided by the Applicant in Step 1 is not sufficient to determine that the business's reason for declining is necessary and reasonable. Analysis of the Applicant's rationale for declining SBA assistance to determine if assistance is still necessary and reasonable for business recovery will be completed for Step 2.

Step 2: Analyze declined SBA assistance rationale to determine whether providing a loan/or grant to the Applicant is still necessary and reasonable for business recovery

To demonstrate that providing CDBG-DR assistance to the Applicant in the form of a loan and/or grant from this program is necessary and reasonable for business recovery, the NYC BS Account Manager will complete and sign an SBA Determination Form (see Appendix XXX), which will be placed in the Applicant's file. The Initial Determination Form provides written confirmation that the rationale provided by the Applicant does or does not fall within one or more of the following circumstances detailed below.
The NYC BS Account Manager will send the SBA Determination Form to the Executive Director of Financial Services and Business Recovery or the Director of Business Recovery, one or whom will make the final determination of the SBA exception policy. The Executive Director/Director will write a memo in the file.
Each circumstance below has been vetted by NYCEDC and SBS as a circumstance in which funding an Applicant who has declined SBA assistance because of such corresponding circumstance(s) is necessary and reasonable cost for business recovery, as defined by principles set forth in OMB Circular A-87; and in particular, that in its nature and amount, the cost of funding the Applicant does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

- **Circumstance #1:** The Applicant required funds more quickly for financial or business operational reasons than when SBA assistance would have arrived and took steps to secure more readily available financing accordingly. In this circumstance, funding the Applicant is still considered reasonable and necessary cost for business recovery if the Applicant still displays Unmet Need, even after receiving non-SBA assistance, and can prove urgency that made securing alternative financing necessary, prudent and reasonable. To demonstrate this circumstance, the business would need to provide documentation of:
  - the dates on which SBA assistance was applied for and notification of was received
  - the dates on which alternative assistance was applied for and/or executed
  - the level of damages sustained (included in Application Package)

- **Circumstance #2:** The Applicant could not afford to repay the SBA loan at the time it was offered because the debt, debt service, cost of purchasing flood insurance, significant increases to existing food insurance premiums, or a combination of one or more of these factors would have significantly impeded the businesses post-storm financial position. For example, the debt service and/or insurance costs would have significantly increased post-storm expenses relative to actual and/or expected post-storm revenue at the time the SBA assistance was offered to the Applicant; or, the debt would have significantly increased the Applicant's post-storm liabilities relative to actual and/or expected post-storm assets at the time the SBA assistance was offered. In this circumstance, funding the Applicant is still considered reasonable and necessary cost for business recovery if the Applicant can demonstrate Unmet Need, and can prove this circumstance by providing current and/or project financial statements compared to periods before the storm. Businesses may also provide documentation that the SBA assistance required the pledging of substantial business assets

and guarantees secured by personal assets, which would hamper their ability to grow in the future.

- **Circumstance #3:** The Applicant is unable to provide the collateral required to receive SBA assistance. For example, SBA has approved an Applicant with the condition that they provide, as collateral, security interest in the cooperative in which the Applicant has interest; however, the Applicant is unable to provide such collateral given that the cooperative board refuses such requests, which can be proven by board meeting minutes, a letter from the co-op board president, and/or co-op by-laws. In this circumstance, funding the Applicant is still considered a reasonable and necessary cost for business recovery if the Applicant can demonstrate Unmet Need, and can verify with the documentation described above.

Sizing of loans and/or grants for Applicants who declined SBA Assistance
NYBDC-LDC determines the cash flow loss for the Applicant. Therefore, given that the cash flow loss calculation deployed already determines what portion of loss should be accounted for the in the DOB table, and that NYC BS staff has thoroughly reviewed the duplicative assistance to determine the final unmet need amount, and given that SBS have thoroughly documented the SBA declination policy above to ensure program funding to Applicant's that declined an SBA loan are still necessary and reasonable for business recovery, Applicants that declined an SBA loan will receive the total portion of loan and/or grant funding identified in the Applicant's final DOB table, with input from NYLDC when applicable.

APPENDIX 17: Affidavit Verifying Equipment & Inventory Loss

Hurricane Sandy Business Loan & Grant Program:

Business Owner Affidavit Verifying Equipment and Inventory Ownership and/or Loss

Small Business Services

I, _____ of _____ doing
(business owner first & last name) (business company name)

business at _____,
(vendor street address, city, state, zip)

do hereby attest that as a direct result of Hurricane Sandy, I owned and subsequently lost the following furniture, inventory, or moveable equipment in the quantity and of the approximate value listed below and am unable to produce records proving the following

☐ **Ownership** and/or ☐ **Loss**:

Equipment or Inventory Item lost	Quantity	Approximate value

Check this box if additional lists attached: ☐

I understand that program staff will work to verify this claim with all available evidence during the application process and that my claim for assistance may be denied or altered if insufficient evidence exists or contradictory evidence is revealed.

_____ _____
(Business Owner Signature) (Date)

_____ _____
(Notary) (Date)

Business Solution Staff Use Only

Describe the circumstances of this business that resulted in no records of ownership and/or loss for the items described above:

Describe and provide any evidence to substantiate the claimed ownership and/or losses detailed above:

Small Business Services Use Only

Provide any additional context or comments related to this case if necessary:

I hereby concur that the business owned the items listed prior to the storm and suffered the losses described above as a result of Hurricane Sandy.

(SBS Staff Signature) (Date)

APPENDIX 18: Affidavit Verifying Business Interruption

Hurricane Sandy Business Loan & Grant Program:

Business Owner Affidavit Verifying Business Interruption

Small Business Services

I, _____ of _____ doing
(business owner first & last name) (business company name)

business at _____,
(vendor street address, city, state, zip)

do hereby attest that as a direct result of Hurricane Sandy, I suffered significant business interruption due to:

Flooding

Power Loss

Wind damage

Other (Describe below)

I am unable to provide any proof of this business interruption because:

I understand that program staff will work to verify this claim with all available evidence during the application process and that my claim for assistance may be denied or altered if insufficient evidence exists or contradictory evidence is revealed.

_____ _____
(Business Owner Signature) (Date)

_____ _____
(Affidavit) (Date)

Business Solution Staff Use Only

Describe the circumstances of this business that resulted in no records of loss for the situation described above:

Describe and provide any evidence to substantiate the claimed losses detailed above:

Small Business Services Use Only

Provide any additional context or comments related to this case if necessary:

I hereby concur that the business suffered the interruption described above as a result of Hurricane Sandy.

(SBS Staff Signature) (Date)

APPENDIX 19: Welcome to the Program Letter

Business Recovery
110 William Street-7th fl.
New York, NY 10038

/ /2014

RE: Welcome

Dear ,

We are happy to welcome you to the Hurricane Sandy Business Loan & Grant Program being offered by New York City to financially assist business owners impacted by Hurricane Sandy. This program is one of the business recovery initiatives included in the City's Community Development Block Grant Disaster Recovery Action Plan approved by the U.S. Department of Housing and Urban Development (HUD). NYC Department of Small Business Services will be administering the program with assistance from local small business lenders.

Applications must be submitted through a NYC Business Solutions Account Manager. Account Managers are also available to help you complete the application and related required documents.

Currently your application is in active status. To submit the required documents please contact your account manager, ( ) at ( ). Located at our ( ) Solution Center.

Best Regards,

Matilda Addo
Borough Coordinator, Business Recovery
T: 212.618.8752.
F: 212.618.8991
E: maddo@sbs.nyc.gov

APPENDIX 20: Monitoring Plan

NYC DEPARTMENT OF SMALL BUSINESS SERVICES

MONITORING PLAN

FOR

HURRICANE SANDY BUSINESS LOAN AND GRANT PROGRAM

Overview of Monitoring Plan

The following Monitoring Plan seeks to:

(1) ensure borrowers' and/or grant recipients' (each an "Awardee") application packages compiled by the Account Manager comply with all applicable regulations detailed within the Hurricane Sandy Business Loan and Grant Program's (the "Program") Policies and Procedures, The City of New York's CDBG-DR Action Plan (the "Action Plan"), and agreements related to the Program;

(2) ensure Awardees comply with all provisions and certifications detailed with the Application, Loan and/or Grant Agreement, and Subrogation Agreement, and any other provisions and certifications signed off by the Awardee;

(3) ensure New York Business Development Corporation-Local Development Corporation's (NYLDC) comply with all regulations governing their administrative, financial, and programmatic operations as defined within the SBS and NYLDC Sub-recipient Agreement (the "Agreement"), the Program's Policies and Procedures and the Action Plan.

1. Borrowers/Grantees Monitoring

To monitor application packages, the Quality Assurance team will conduct desk/internal reviews of pre-award applications and conduct a combination of desk review and on-site visits post-award.

1.1. Pre –Award Monitoring:

Prior to communicating any decision to Applicants, the Quality Assurance team will perform desk reviews to ascertain whether the loan and grant applications compiled by the Account Managers are in compliance with the Program's Policies and Procedures.

Procedure:

The SBS Quality Assurance team will perform the following during desk reviews:

1. Review of all documentation pertaining to HUD eligibility and duplication of benefits submitted by the Applicant.
2. Conduct additional verifications when necessary to ensure that information provided is accurate.
3. Document all findingsand notify the Account Managers of appropriate corrective action.
4. Confirm Account Managers' correction of errors, as explained in an email.
5. Ensure all missing documentation was provided and errors were corrected before a communicating decision to the Applicant.

1.2. Post –Award Monitoring:

The majority of Awardees will be monitored through a random sample, except Awardees that satisfy one of the criteria listed below:

1. Closed businesses at the time of the award
2. Awardees meeting the National Objective of Job Creation or Retention
3. Awardees in the liquid fuel supply chain

Post-award monitoring will consist of a combination of:

- **On-site visits:** The Quality Assurance team will conduct on-site visits for Awardees that received moveable equipment award to ensure that equipment purchased is at the business location, is A-87 eligible, and does not violate the program's Categorical Exclusion. Businesses are required to keep the equipment for at least 24 months unless specified differently in the Loan and Grant Agreement.
- **Desk reviews:** The Quality Assurance team will perform desk reviews for Awardees that received inventory and/or working capital awards to ensure that documentation pertaining to disbursement of working capital funds and inventory awards is properly saved in the Disbursement folder (Folder A) and all expenses are eligible. Please refer to section *"4.15 Loan and/or Grant Disbursement"* for details on Disbursement in the HSBLGP Policies and Procedures guide.
- Additionally, for the non-random sample monitoring the Quality Assurance team will ensure that closed businesses are open after the issuance of the award which will be performed through on-site visits. In addition the Quality Assurance team will ensure that awardees in the liquid and fuel supply chain have a mitigation plan. On-site visits will be performed

The following actions will be performed if findings are identified:

- If the equipment is not on-site, not A-87 eligible or violates the program's Categorical Exclusion, SBS and NYLDC will take corrective actions as described in the Loan and Grant Agreement. Refer to the Policies and Procedures appendix (5) for more details about the corrective actions.
- For the desk review, the Quality Assurance team will send the findings to the Disbursement Manager and NYLDC to provide the missing documentation.

Equipment Monitoring Procedures for Alternate Items on Premises:

The HSBLGP will use the following procedures to address discrepancies in observed moveable equipment. These procedures do not pertain to businesses that have used funding for any ineligible purposes (immoveable equipment, alcohol, entertainment, etc.). Businesses that have used funding for any ineligible purpose will be in default and be subject to the HSBLGP recapture process as outlined in appendix 22 to the HSBLGP Policies and Procedures.

Equipment Monitoring Concern:	**Program Policy & Process:**
Business has purchased like equipment with a different model number than what was approved	1. HSBLGP: Note the difference in the initial report and request applicant provide receipts and a statement explaining difference in items 2. Awardee: Provides HSBLGP with receipts and a statement explaining the model number difference. 3. Decision: If amount paid by HSBLGP remains the same, a note to the disbursement file will be made and issue will be closed. If amount paid by HSBLGP is less than awarded, awardee must return the excess funding. or risk default
Business exchanged approved purchased item for an alternate item	1. HSBLGP: Note the difference in the initial report and request receipts and applicant statement explaining difference in item, and why the new item was purchased as a replacement. 2. Awardee: Provide HSBLGP with receipts and a statement explaining the difference in items present in comparison to what was approved and initially purchased. 3. HSBLGP: Write a memo to a HSBLGP review panel to decide if the owner has a legitimate business purpose for the new item and if the exchange was reasonable. (criteria for approval/denial must be created) 4. Decision: Close issue after difference is noted and explained in final report if panel finds it reasonable that the alternate item is related to the type of use or need of the damaged equipment. If not reasonable, applicant must return misappropriated funds or face default procedure.
Business purchased alternate not approved	1. HSBLGP: Determine if applicant did

item at time of initial purchase	not supply receipts showing the different purchases during substantiation or if these documents were with SBS for review during substantiation. 2. Awardee: Provide HSBLGP with receipts, if different from submitted receipts and a statement explaining why alternate items were purchased initially instead of what was approved by HSBLGP and that the alternate item is related to the type of use or need of the damaged equipment. 3. HSBLGP: Review documentation from applicant to see the cost of items purchased. 4. Decision: Applicant must return money for the items purchased that were not in compliance with disbursement, if money is not returned, applicant will face default procedure.
Business does not have item that was reported as purchased	1. HSBLGP: Report missing items and request information from applicant as to where the money was used. 2. Awardee: Provide a statement explaining why the items approved for purchase are not present at the business location and what money was used for. 3. Decision: Applicant must return funds for items not present or returned to the business location or face default procedure

Procedure:

The SBS Quality Assurance team will perform the following:

1. Send out an on-site review engagement letter three weeks prior to conducting an on-site review with an Awardee. This provides ample time to assemble necessary documents and for the business owner to prepare for the SBS Quality Assurance team's visit.

2. Upon arrival of on-site review, verify that the Awardee is satisfying all conditions listed on the commitment letter, Loan and Grant Agreement and Subrogation Agreement.

3. Confirm that the Awardees are in receipt of equipment after NYLDC has issued checks to the appropriate vendors. In the case of job creation or retention, confirm employee schedules and records if one year has passed since the Awardee has signed the Loan and Grant Agreement.

4. Upon the completion of the on-site review, write a Report detailing findings of noncompliance, document these findings within the audit file, communicate them to the Awardee within 90 business days of the on-site visit, and, if necessary, request corrective actions.

5. Follow up on corrective actions that were communicated to the Awardee within 30 business days of issuing the Report.

6. Prepare the Final Report within 30 days of issuing any corrective actions. Report will include a list of the findings identified during the on-site review, corrective actions requested, corrective action taken by the Awardee, and any outstanding noncompliance findings that have yet to be addressed. Awardees will be sanctioned per the Loan and Grant Agreement if significant corrective actions are not taken.

7. A copy of the Final Report will also be provided to applicable SBS, NYCEDC, and OMB staff via email. Save this Report within the appropriate auditing file for the on-site visit.

2. Job Creation Monitoring:

2.1. Overview:

As stated in section 1.2 of the NYC Department of Small Business Services Monitoring Plan for Hurricane Sandy Business Loan and Grant Program, all awardees meeting the National Objective of Job Creation or Retention will be monitored. Job creation Awardees will be monitored through a desk review of documents that confirm the number of full-time employees (FTE) currently employed by businesses qualifying under the job creation National Objective. In addition, businesses that are considered high risk will be reviewed during on-site visits by the Quality Assurance team.

A business is classified as high risk after a determination that documentation provided by the business is inconsistent or raises concern about a business's actual status as a job creator or the ability of the business to create jobs.

Businesses must have created jobs within a year of accepting an award for working capital funding for job creation or within one year of receiving a letter prompting job creation based on awardee obligations as specified in their grant/loan agreement.

2.2. Requirements for Eligible (FTE) Jobs:

- *All jobs created must be on a 40 hours per week basis;*
- *Jobs created must be low- and moderate-income;*
- *The salary can include tips and commissions (should be estimated by the employer on the date of hire for a full calendar year);*
- *Only permanent jobs count (temporary jobs may not be included);*
- *Seasonal jobs are considered to be permanent for this purpose only if the season is long enough for the job to be considered as the employee's principal occupation.*

2.3. Documents Necessary to Confirm Job Creation

The following documents will be requested to confirm job creation. Businesses must submit documents that confirm employee payroll (and proof of payment) for the three month time period after the business has notified SBS that a created a job has been filled by a FTE. See table 1 below for eligible documents for job creation purposes. .

Table 1.

Confirm Employee Payroll	Confirm Payment
Payroll Summary (ex. ADP); or	Payroll Summary (ex. ADP); or
NYS-45, Schedule B (Form 941)	Cancelled Business Checks w/ NYS-45 or Schedule B (Form 941)

2.4. Procedure for Job Creation Monitoring:

A business that has created a LMI job during the grant period should report this job creation to SBS once the position has been filled by a FTE. Three months after the business has notified SBS of the job creation and FTE, SBS will send a reminder to the business to submit documentation to confirm the FTE is still on active payroll.

These requested documents should show the number of jobs created and proof of payment to the employees that occupy these jobs. Required documents are outlined above in *table 1*. A business has 15 business days from the date of receiving the letter to submit these documents.

During a desk review, SBS will review submitted documents from businesses to ensure the documents submitted are accurate and authentic. [See Calculating Job Creation – Section 1.1.5]

The desk review will be conducted to screen potential businesses for follow-up site reviews based on discrepancies in data presented.

SBS will request a site review to monitor a business after determining that documentation provided is inconsistent or raises concern about a business's ability to create jobs.

Following a desk-review and potential on-site review, SBS will prepare a preliminary report of each business reviewed and document this within the monitoring file. This report will be emailed to business with recommended corrective actions that each business will need to develop and implement within 60 days from receiving the report.

2.5. Calculating Job Creation/Retention:

SBS will use the following formula to determine whether a business is compliant with job creation guidelines: *The difference between the* ***number of FTE at time of job creation monitoring*** *and* ***the number of FTE at the time of Grant/Loan signing***.

The business need not have the same employees hired at the positions being retained from time of application, but rather have that number of employees retained at the same or an increased salary. Job creation will be considered any LMI FTE position created in addition to these retained number of FTE positions.

- **For example**. If business X has 4 FTEs at salaries of $50,000 per year at the time of Grant/Loan signing and commits to creating a position for 1 FTE after signing, business X should have 5 FTEs at the 1 year anniversary of accepting the award, or 1 year from receiving a letter prompting job creation based on awardee obligations as specified in their grant/loan agreement. Of these positions, 4 of them should be earning at least $50,000 and the 5th should be earning a salary that fulfills the business's requirements as a LMI job creator.

2.6. Failure to Comply with Request for Documentation:

A failure to comply with a request for documents within the 15 day period or to implement the corrective actions for job creation within 60 days of receiving the report will result in a default of the grant and/or loan awarded to the business.

2.7. Failure to meet LMI National Objectives:

If an applicant cannot meet the LMI National Objectives after implementing the corrective actions recommended by SBS, and were impacted by the storm, Applicants may be considered for Urgent Need classification.

Failure to comply with Job Creation or Retention National Objective for businesses with severe need will be addressed by referring the business to one of SBS' Workforce1 Career Centers to support in the hiring or training process. The Quality Assurance team will follow up with the awardee three months after the referral to the Workforce1 Career Center; if the business remains incompliant they will be subject to the program's recapture policy outlined in the Loan and Grant Agreement.

3. NYLDC Monitoring

NYLDC's monitoring will be accomplished through a combination of desk and on-site reviews. The desk reviews will support the SBS Quality Assurance team in examining the compliance and completeness of the working capital analysis and review financial documents provided to NYLDC for underwriting.

3.1. Pre–Award Monitoring:

Prior to communicating any decision to Applicants, the Quality Assurance team will perform desk reviews to ascertain whether the loan and grant report generated by NYLDC are in compliance with the Program's Policies and Procedures.

Procedure

1. Record by email all application packages that contain errors and/or are missing documentation to NYLDC, including a detailed list of specific documentation missing or errors found upon monitoring, and request corrections and responses from NYLDC.

2. Review corrections and responses from NYLDC, respectively, to ascertain whether each loan and/or grant visit and financial documents are now compliant according to the Program's Policies and Procedures and, if applicable, the Agreement.

3.2. Post–Award Monitoring:

During on-site visit, the QA team will review books of accounts, copies of checks, invoices and bank statements for payments made by NYLDC to or on behalf of the Awardee. The QA team will randomly sample approved applications to verify funds received were deposited in the appropriate account using the NYLDC Cash Receipts Analysis template (Exhibit A), where applicable. To randomly sample funds SBS wired to NYLDC bank accounts, the SBS Quality Assurance team will first reconcile SBS payment voucher with that of the NYLDC electronic fund transfer account (EFT). Then SBS will randomly select two payments from each month for testing. NYLDC is required to release the funds within 72 hours.

Procedure

1. Compare the SBS payments with NYLDC books of account, confirm the accuracy of the amounts reported (including receipts, disbursements, and total cash expenditures) and investigate any variances.

2. Review all applicable documentation to ensure compliance with Disbursement Requirements, Data Disclosure, Insurance, Procurement, Reporting, Performance Regulations and all Personal and Participant Conditions identified within the Sub Recipient Agreement.

3. Prepare a Preliminary Report of the on-site monitoring visits with detailed findings of noncompliance, and document this within the auditing file. Email the Preliminary Report to NYLDC within 30 business days of the visit. This report requests corrective actions that NYLDC will need to develop and implement within 90 days from receiving the Preliminary Report.

4. Review NYLDC's comments and any additional documentation provided as a response to the Preliminary Report. NYLDC has 10 business days to submit these comments.

5. Prepare the Final Report which includes a list of the findings identified during the on-site review, the corrective actions requested, and the corrective actions NYLDC took, and any outstanding noncompliance findings that have yet to be addressed. SBS prepares the Final Report within 10 business days of receiving NYLDC's comments.

6. Share the Final Report with NYLDC, as well as applicable SBS, New York City Economic Development (NYCEDC), and New York City Office of Management and Budget (OMB) staff via email.

7. Document this Final Report within the appropriate auditing file for the on-site visit.

3.3. Ongoing Financial Monitoring:

Beginning in the First Quarter of the calendar year 2015, on-site monitoring reviews of NYLDC will be conducted twice a year to ensure compliance with all regulations governing their administrative, financial, and programmatic operations as defined within the Action Plan, the Sub Recipient Agreement, and the Program's Policies and Procedures, as applicable. Additional on-site reviews will be conducted on an as needed basis.

Procedure:

1. During on-site review, review books of accounts and bank statements for payments made to NYLDC.

2. Select a sample of non-personnel service costs (using Exhibit B) covering the period under review from NYLDC's general ledger. Examine source documents including procurement records and cancelled checks or bank statements to verify actual expenditure reported.

3. After the SBS Quality Assurance team observes the non-personnel services cost transactions on the general ledger or excel spreadsheet NYLDC may provide, SBS reviews non-personnel services transactions for embezzlement.

4. Prepare a Preliminary Report of the on-site monitoring visits with detailed findings of noncompliance, and document this within the auditing file. Email the Preliminary Report to NYLDC, and request corrective actions that NYLDC will need develop and implement within 60 days from receiving the Preliminary Report.

5. Review NYLDC's comments and any additional documentation provided as a response to the Preliminary Report. NYLDC has 10 business days to submit these comments.

6. Prepare the Final Report which includes a list of the findings identified during on-site review, the corrective actions requested, the corrective actions NYLDC takes, and any outstanding noncompliance findings that have yet to be addressed. SBS prepares the Final Report within 10 business days of receiving NYLDC's comments.

7. Share the Final Report with NYLDC, as well as applicable SBS, New York City Economic Development (NYCEDC), and New York City Office of Management and Budget (OMB) staff via email.

8. Document this Final Report within the appropriate auditing file for the on-site visit.

EXHIBIT A

PROGRAM YEAR (1/01/14 - 12/31/14)

CASH RECEIPTS ANALYSIS

Trace at least one payment per month made by the Department of Small Business Services to NYLDC the organization during the review period. Compare the amounts and dates of deposit to organization's NYLDC records and bank statements. Investigate any

Investigate any discrepancies in amounts and/or lag in making deposits.

Date Paid by SBS	Amount Paid by SBS	Date Deposited by NYLDC	Amount Deposited by NYLDC	Cash Receipts Ref

Comments:

EXHIBIT B

Sample of Expenditures
Non-Personnel Services

		Per Contractor's Records					
Vendor/Payee	Description	Check Date	Check Number	Check Amount	contract Share	Allowable?	Supported?

APPENDIX 21: **Hurricane Sandy Grant and Loan Program Cost Reasonableness**

Appendix 21: Hurricane Sandy Business Loan and Grant Program Cost Reasonableness

Per federal guidelines, all allowable costs must be necessary and reasonable. The Quality Assurance review process assures that awarded businesses sustained damages from the storm, thus providing evidence of necessary expenditures.

Cost reasonableness can be demonstrated in the following ways:

- **Items of any value that match the cost estimate in the file:** When the value of items do not vary from estimates in the file such as SBA valuation, invoices, adjuster report and current (within three months of the disbursement request) vendor quotes, one quote is required, regardless of the price. There is no question of cost reasonableness in these cases. All quotes are subject to SBS Program Management's approval.
- **Consumer Price Index/Singular Quote Methodology:** If the unit cost of an inventory or equipment item has increased by no more than 12 percent (sum of NYS taxes (~8.875%) and inflation rate since 2012 (~2.86%)), SBS will subsequently amend the application by taking into account the increased need in the duplication of benefits analysis in the application. This will result in an increase in award amount, if the increase occurs after the initial closing, a note to file will be added to the application file. An increase of no more than 12 percent is reasonable based on inflation measured by the consumer price index since 2012 and current tax rates. This limits the increase to 12 percent and demonstrates cost reasonableness. If Applicant can show ownership of the inventory/equipment that was purchased prior to 2012, then the 13 % price adjustment will be increased to account for the inflation rate(s) between the purchase year of the equipment and 2012. For example, if a butcher paid $500 for a meat grinder in 2010, the percentage that will be used in this case is 12+3+1.5=16.5%. All quotes with a price between $500 and $582.5 will be accepted and the award for the meat grinder will be increased by up to $82.5. In this case, the Applicant only needs to submit one quote.

  Please use the Bureau of Labor Statistics CPI table below for inflation rate numbers

Year	Inflation Rate
2004	3.30%
2005	3.40%
2006	2.50%
2007	4.10%
2008	0.10%
2009	2.70%
2010	1.50%
2011	3%
2012	1.70%
2013	1.50%
2014	1.70%

- **Three Quotes Methodology:** Businesses can also provide three quotes for items to demonstrate cost reasonableness. SBS will disburse based on the lowest of three quotes. The three quotes allow SBS to demonstrate cost reasonableness.
- **Items that must be repaired:** Many pieces of moveable equipment were damaged by the storm but can now be repaired.
    - Applicants must have a certified technician assess the damage and submit an estimate for the cost of repair. Additionally, the quote(s) should include any labor cost for any activity exceeding $2000 as it will be subject to Davis Bacon federal wage standards.
    - All repair awards should be limited to 50% of the initial cost of the equipment. If the repairs cost is greater than 50% of the equipment cost, then the equipment in question will be eligible for replacement.

APPENDIX 22: **Recapture Plan**

NYC DEPARTMENT OF SMALL BUSINESS SERVICES

DEFAULTED BUSINESS RECAPTURE PLAN

FOR

HURRICANE SANDY BUSINESS LOAN AND GRANT PROGRAM

INTERNAL DRAFT –
TO BE INSERTED AS AN APPENDIX WITHIN P&P

Overview of Recapturing Funding From Defaulted Businesses:

The following Recapture Plan seeks to:

(1) ensure New York City Department of Small Business Services (SBS) complies with all applicable regulations governing its administrative, financial, and programmatic operations detailed within the Hurricane Sandy Business Loan and Grant Program's (HSBLGP) Policies and Procedures. The City of New York's CDBG-DR Action Plan and Subrecipient Agreements related to the HSBLGP; and

(2) ensure Awardees comply with all provisions detailed within the Application, Loan/Grant Agreement, and Subrogation Agreement, and any other provisions and certifications signed off by the Awardee.

Awardees are obligated to adhere to the **representations, warranties, covenants and/or agreements of grantee** section of the Grant/Loan Agreement. Additionally, awardees must also adhere to conditions listed in the awardees' signed Subrogation Agreement and signed Commitment Letter. Awardees must further comply with the documentation submission guidelines for disbursement and substantiation from The United States Department of Housing and Urban Development (HUD), SBS and their authorized representatives.

Awardees may fail to comply with the terms and conditions of their Grant/Loan Agreement, which can lead to default on the federal grant or loan as described in **Section 8** of their Agreement. Default based on these terms of the agreement will begin the process of recapture of federal funding disbursed to these businesses. This process is authorized by **Section 4** of the Agreement for failure to comply with the Grant/Loan Agreement, or when a business closes after receiving funding in violation of their Grant/Loan Agreement.

Recapture Process Timeline:

1. *BDC refers business back to SBS after a business is unresponsive after three written requests to submit substantiation within the timeframe detailed in the HSBLGP Program Guidelines and Procedures.*	1. *SBS determines that a business has violated the terms of their grant/loan agreement other than funding and/or job creation violations, which are considered substantiation violations. SBS documents the violations of terms of the agreement in a memo in the file.*
2. *SBS sends letter notifying business of default.*	2. *SBS sends letter notifying business of default.*
3. *SBS follows with call to confirm receipt of letter and gives business owner an opportunity to cure their violation of the Agreement within 10 business days of receiving letter.*	3. *SBS will follow with a call to confirm receipt of letter and discuss the violation with the business owner and possible remedies. If the violation is not cured after 10 business days, SBS sends*

	a second letter requesting a return of funding within 7 business days.
4. *If business does not cure in this timeframe, SBS will send a second letter after 10 business days that requests a return of funding within 7 business days.*	4. *SBS will consult with the New York City Law Department before taking further action. SBS will prepare a memo summarizing all attempts at gathering substantiating documents.*
5. *SBS will consult with the New York City Law Department before taking further action. SBS will prepare a memo summarizing all attempts at gathering substantiating documents.*	

Site Visits for Non-Responsive Businesses:

For businesses that are non-responsive to SBS, site visits will be held to determine if these businesses' non-responsiveness is due to business closure. SBS will visit the business location if an owner has not responded to the two (2) letters: the first requesting correction of the business's violation of their agreement within ten (10) business days and the second giving the business seven (7) business days to return their funding award.

Instances of Fraud by Awardee:

If it is determined that the awardee submitted documentation with the intention of defrauding SBS into providing an award the awardee was not entitled to or larger than the awardee was entitled to, SBS will refer the awardee to the appropriate local authorities to further investigate the awardee for any possible local, state, or federal violations. This investigation may occur concurrently with any recapture proceedings that SBS initiates.

Payment Plans:

For businesses in default that agree to return the federal funding awarded, a payment plan for returning this funding will be available. These payment plans will be available for a four (4) to six (6) month period of time. The payment plan is contingent upon SBS receipt of a signed payment plan agreement by applicant. Payments will be received and processed by New York Business Development Corporation (NYBDC). Failure to comply with this repayment agreement will result in cancellation of the agreement and the awardee being subsequently referred to the New York City Law Department for recapturing litigation.

APPENDIX 23: **Closing Program**

Closing Program Overview: As part of the closing process of the HSBLGP, the program will implement several deadlines for applicants that are either appealing or have been approved, but have not yet received their full award. The policies are outlined below:

Appeal: After receiving a decision from HSBLGP, applicants have an opportunity to express interest in appealing the decision. As part of the HSLBGP program closing, applicants will have a final opportunity to submit documents consistent with timelines followed throughout the program. HSBLGP staff will contact applicants eight times (via phone and email) from ***November 30, 2015 until January 29, 2016*** to remind them of the final opportunity to appeal. If the businesses do not respond and submit required documents within this time frame, they will permanently loose the opportunity to appeal. If a business is waiting on items from a city or federal agency, the business will have an additional 25 business days to submit documents.

Approved businesses that have never received disbursements: After receiving a decision from HSBLGP, applicants are required to submit commitment letters and signed application. HSBLGP staff will contact applicants that have not submitted documents eight times (via phone and email) from ***November 30, 2015 until January 29, 2016*** to remind them of the final opportunity to claim their award. If the businesses are unresponsive and fail to submit required documents within this timeframe, they will permanently forfeit their awards. No extensions will be considered.

Businesses with funding left on the table and are in good standing with substantiation: After receiving a first (or subsequent) disbursement from HSBLGP, applicants are required to request the remaining balance on their awards. HSBLGP staff will contact applicants that have not requested their remaining award balance eight times (via phone and email) from ***November 30, 2015 until January 29, 2016*** to remind them of the final opportunity to claim their award. If the businesses are unresponsive and fail to submit required documents within this timeframe, they will permanently forfeit their awards. No extensions will be considered.

The January 29, 2016 deadline does not apply to businesses with working capital awards currently in disbursement.