

CITY OF RIO RANCHO

PUSHING FORWARD IN THE PANDEMIC PARADIGM



CITY OF RIO RANCHO SMALL BUSINESS ASSISTANCE PROGRAM

**Grants available to Micro-Enterprise and Small
Businesses located within the City of Rio Rancho**

What is a Micro-Enterprise Business?

Five employees or less including owner

What is considered to be a Small Business?

40 or less employees

How much can my business be granted?

**Micro-Enterprise – 5 Employees or less (including Owner)
\$5,000.00 (Pending Owner income qualification)**

**Small Business – 10 or less Employees
\$5,000.00 (Pending Employee income qualification)**

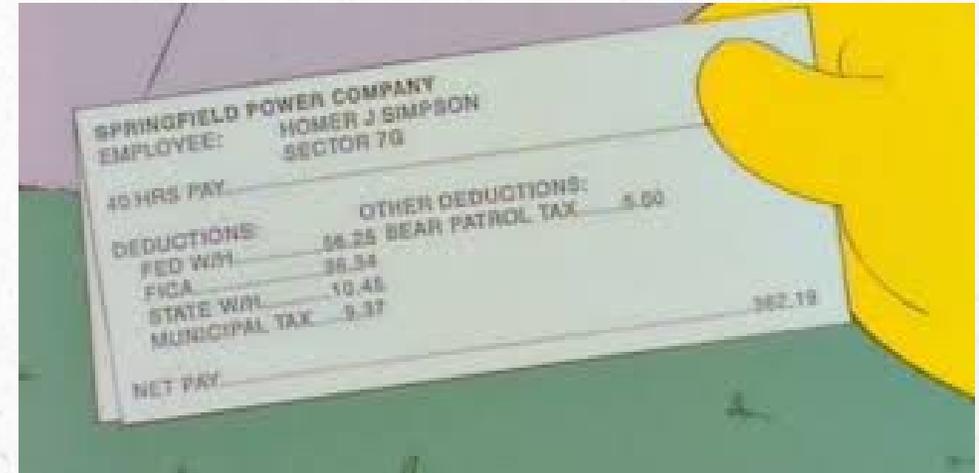
**Small Business – 11-40 Employees
\$10,000.00 (Pending Employee Income qualification)**

- **Funding provided by the US Department of Housing and Urban Development (HUD)**
- **Must meet one of three National Objectives**
 - **1. Benefit to LMI Persons or Households**
 - **2. Elimination of Slums or Blight**
 - **3. Urgent Need**



HUD INCOME GUIDELINES

NUMBER IN HH	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
MAX INCOME	\$38,750	\$44,250	\$49,800	\$55,300	\$59,750	\$64,150	\$68,600	\$73,000



Who qualifies for funding?

Small Businesses and Micro-Enterprise Businesses located within the City of Rio Rancho

For Micro-Enterprise Business, Owner must meet Section 8 Income Guidelines (Household)

For Small Businesses – Must commit to retain one employee for every 10 (fulltime) employees employed for at least one year. If employees are part-time, must retain two employees for every 10 employees employed.

Other Qualifying Factors

Must have documentable decline in revenue due to implementation of social distancing measures.

Must not have cash or liquid assets in excess of three month burn rate for business expenses.

Business must be established and in operation prior to December 31, 2019.

Other Qualifying Factors (continued)

Must possess a current valid City of Rio Rancho Business Registration.

Must be a US Citizen, Legal Permanent Resident, or Qualified Alien as defined by PRWORA 1996.

Must complete application and all documents requested at the time of application. Incomplete application packets will be returned to the Business Owner.

How Do I Apply?

- **Go to the City of Rio Rancho Website – www.rrnm.gov/assistance**
- **Read the Program Guidelines – COMPLETELY**
- **Fill in the Application – COMPLETELY...FILL IN ALL BLANKS AND ANSWER ALL QUESTIONS**
- **Go through Document Checklist and supply all documents listed**

How Do I Apply? (continued)

Submit your application to:

**Susan Gonzales, CDBG Grant Administrator
City of Rio Rancho
3200 Civic Center Circle NE, Suite 300
Rio Rancho, New Mexico 87144**

What documents are needed and why?

Complete Application – Gives us all the information needed to begin our qualification process.

Copy of CoRR Business Registration – Establishes the date that your business began operation within the CoRR.

Personal and Business Tax Returns – Supports decline in business and verifies other qualifying criteria.

What documents are needed and why? (continued)

Proof of Income other than what is generated by business (Micro-Enterprise only) – Establishes total household income

Business and Personal Bank Statements – Most Current past two months – Determines cash on hand and liquid assets

Copy of Drivers License, Naturalization, or other – Establishes legal residency

What documents are needed and why? (continued)

**Profit and Loss Statements (Jan – June 2019 and 2020) –
Substantiates decline in revenue.**

**Vendor Registration and W-9 – Allows City Staff to enter your
data into the accounting system so that you can receive your
check.**

Three REALLY Important Items

- Micro-Enterprise Verification Form – For Micro-Enterprise Businesses Only. Must be filled in COMPLETELY AND SIGNED. The original is needed. This form establishes your income qualification.
- Income Verification Form for Job Retention – For Small Businesses Only. Must be filled in COMPLETELY AND SIGNED BY THE EMPLOYEE THAT WILL BE RETAINED.
- The Income Verification Form for Job Retention establishes the total household income for the employee that will be retained. This employee's total household income must meet HUD Section 8 Income Guidelines. Original signed forms with proof of income (pay stubs) must be submitted with your application packet.

Why is this so important?

As a small business owner, you are not having to qualify your business with your personal income. HUD requires that the end beneficiary of this grant must qualify as LMI. If the total household income for your employee is over the HUD Section 8 Income Guideline for the total number of persons living in the home, then we cannot qualify your business for this grant.

Last by not least

Information about PPP and EIDL

There are restrictions in place enforced by HUD that prohibits the duplication of benefits.

What does that mean?

It means that the City cannot grant you funds to pay for the same expenses that you are paying with money received from PPP and/or EIDL.

Please

- Provide the date that you applied for other federal funds, the amount that you received the funds, and what you have used the funds for.
- If you have not yet spent the money that you received from PPP/EIDLE, please tell us so and what you will be using the funds for.
- Monthly Expense Summary – Please be as accurate as possible when listing the amount of each expense item per month. These amounts will determine your burn rate, which will determine the amount of your liquid asset threshold and ultimately the amount of your grant.

QUESTIONS?

SUSAN GONZALES, CDBG GRANT ADMINISTRATOR

SGONZALES@RRNM.GOV

505-896-8766



OTHER PROGRAMS

Getting Your Arms around COVID-19 Economic Recovery Tools...

Then look at.....

Are you.....

Maintaining or even expanding headcount?

Open & keeping your head above water?
In need of liquidity and working capital?

Looking to cover non-payroll operating expenses?

Looking to retain workforce by offering paid sick leave to employees impacted by COVID-19?

Hunkering down with shuttered operations (yet with strong business fundamentals)?

Mid-Market New Mexico Companies with >40 employees and strong business fundamentals?

EIDL Loan with up to \$10,000 grant advance

Payroll Protection Program / Future TBD

City of Rio Rancho Grants (CBDG and CARES)

ERTC - Employee Retention (refundable) Tax Credit (Preserves cash &/or back-end cash flow. No loan applications today. Augmented for <100 EE/HC)

Employer Side Social Security Deferral (Preserves cash, No loan application today)

NMEDD Loan Guarantee (administered by local/SoNM staff, strong desire to help)

Emergency Paid Sick Leave (FFCRA)

Expanded Unemployment Benefits / Future TBD

NMSBIC Microloans &/or NM Recovery Loans (new)

NM Recovery Fund (NM SIC)

Penalty free retirement account withdrawal

CARES SMALL BUSINESS GRANT (CONTINUITY/REDESIGN)

- \$50M Allocation from CARES Act funds by the State of New Mexico to local governments
 - City of Rio Rancho submitted its funding proposal and request on Aug 6. State looks to respond in 2-3 weeks. City will then shortly launch its program.
 - **Company Criteria**
 - State of New Mexico guidance puts forth: *“To be eligible, your company must be headquartered in New Mexico and either have been forced to close or severely curtail business operations as a result of closure orders from the state and have an annual revenue of \$2 million or less prior to the impact of COVID-19. Must be a Rio Rancho small business with 50 or fewer full-time equivalent employees.”*
 - The business must have a principal place of business in the municipal limits of Rio Rancho.
 - The business must have a valid City of Rio Rancho Business License/Registration (if it needs to be renewed, please contact the City Clerk at 505-891-5004 or www.rrnm.gov/30/City-Clerk).
 - The business shall remit GRT via the CRS1 form with a correct Rio Rancho location (if applicable).
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CARES SMALL BUSINESS GRANT (CONTINUITY/REDESIGN) - CON'T

- **Eligible Expenditures**

- Proceeds must be spent on eligible “*business continuity*” expenses, defined by the State of New Mexico as “*non-owner employee payroll, rent, scheduled mortgage payments, insurance, utilities, or marketing.*”
 - In addition, the business may qualify for additional funding for “*business redesign*” expenses necessary to adopt COVID Safe Practices. Defined by the State of New Mexico as “*reconfiguring physical space, installing plexiglass barriers, purchasing web-conferencing or other technology to facilitate work-at-home, or PPE for employees.*”
 - Expenditures must have been or be incurred due to the public health emergency or actions taken to respond to the public health emergency.
 - Eligible and reimbursable expenditures will have occurred or shall occur during the period of March 1, 2020 through December 30, 2020.
 - There shall be no duplicity of benefits if the Grant Awardee also received CBDG Small Business Assistance, EIDL, PPP and/or other Federal program. Duplicity of benefits means that funds shall not be used for the same purpose in the same period.
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Contact Info

Greg Peña, CVB Manager

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505-896-8710





What is the Small Business Recovery Loan Fund?

Created by the Small Business Recovery Act of 2020 (June 2020 Special Session) and signed into law by Governor Michelle Lujan Grisham on July 7th.

The **\$400 million** program provides low-interest rate loans to businesses that experienced financial hardship due to the public health order resulting from the COVID-19.

The three-year loans may be used for a variety of expenses, do not require personal guarantees or collateral, and have no payments for the first year.



What are terms of the loans?

Loan Amount: Two times the monthly average expenses, not to exceed \$75,000.

Interest Rate: $\frac{1}{2}$ of *Wall Street Journal Prime* (currently 1.625%).

Collateral: None. Personal guarantees not required.

Terms: 3-year loans.

Repayment: Interest only, paid annually. Principal due at maturity. Loan may be extended for an additional three years with monthly principal and interest payments.

Please note that this is a loan program, not a grant program



- ◆ A New Mexico business that has closed or reduced operations due to the public health order, **and**
- ◆ Had annual gross revenue of less than \$5 million as determined by its 2019 federal income tax return, **and**
- ◆ Experienced a 30% decline in monthly gross receipts or monthly revenue in April and May of 2020 as compared to the same months in 2019.

- ◆ Note “New Mexico business” means either a business organized as a for-profit (sole proprietor, partnership, corporation, limited liability company, etc.) or a 501(c)(3) or 501(c)(6) nonprofit corporation



Application Process

- ◆ Businesses will apply through an **online application** at www.nmfinance.com.
- ◆ The application will **open August 5th** and will be open until **December 31, 2020** or until funds are gone, whichever comes first.
- ◆ Submitted applications will be reviewed by Loan Servicers (participating banks, credit unions and Community Development Financial Institutions).
- ◆ Applications will be processed on a **first-come, first-served basis**.



New Mexico Finance Authority

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www.nmfinance.com

*New Mexico's Partner in Building
Economic Prosperity and Stronger Communities*