

CITY OF UTICA MICROENTERPRISE GRANT PROGRAM

Program Objectives

The objective of the 2024-2025 City of Utica Microenterprise Grant Program (the “Program”) is to help small existing minority and/or women owned (MWBE) businesses or startup businesses provide new job opportunities, and ultimately broaden the tax base of the City of Utica. This Program will also incorporate a technical assistance and training component with HUD CDBG funding to make the applicants’ projects a reality. The 2024-2025 City of Utica Microenterprise Grant Program is designed to support MWBE microenterprises (at the time of application) with five or fewer employees, counting the owner(s).

Technical assistance gained through the program will enhance the applicant’s chances for success in their project as well as open up financing opportunities not normally available through traditional lending channels.

Program Eligibility Criteria

Eligible Activities

- Provide assistance to small existing minority and/or women owned (MWBE) businesses;
- Must be located within the City of Utica;
- Support the Program objectives;
- Result in the creation of jobs which are available to LMI persons as defined by HUD guidelines. If there will be no hiring of new employees, the owner must meet low- or moderate-income guidelines at the time of application to the Program;
- Purchase of capital assets such as machinery, equipment, inventory, working capital and soft costs (including entrepreneurial training); and
- Utilization of funds must be eligible pursuant to the guidelines governing the CDBG program and as amended.

Ineligible Activities

- Speculation or real estate assistance for primarily ownership, sale or investment purposes;
- Currently (at time of application) or subsequently (within the period of the grant agreement) deemed illegal;

- Those businesses that are traditionally identified as “sin businesses,” such as golf courses, massage parlors, suntan facilities, racetracks, gambling facilities, or any store the principal business of which is the sale of alcoholic beverages or cannabis;
- Do not meet or further the Program objectives; and
- Deemed ineligible for assistance under the Small Business Act, as amended and further described in Chapter 1 of Title 13, Code of Federal Regulations, and in Chapter 1, Section 3 of the “Standard Operating Procedures” of the Small Business Administration.

Eligible Applicants

- Must be or shall become a commercial enterprise with five or fewer employees (including the owner of the business). In the case where no jobs are to be created, the owner(s) must be low- or moderate-income persons as established by CDBG criteria at the time of closing;
- Must be a commercial enterprise which is primarily minority or women owned;
- Must be a bona-fide registered United States Corporation or partnership or sole proprietorship, be able to repay if found in default of program objectives, and possess good character and reputation and be of legal age. An investigation of character shall be made from the best available source including, but not limited to, past and present creditors, employers, and other sources having knowledge of the applicant; and
- Applicant must present a reasonable likelihood for long-term viability based upon issues such as feasibility, marketability, management, competition, and capitalization;

Business Skills Training/Counseling Requirement

The owner(s)/principal(s) of each recipient business will be **required** to complete a training program consisting of, at minimum, the following elements:

- Developing a business plan
- Legal issues
- Taxes, recordkeeping, accounting
- Financing
- Marketing, advertising
- Employee issues
-

Applicants will be asked at the time of application whether or not they have an existing relationship with the thINCubator.

- If an existing relationship exists, recipient businesses will be asked to contact their thINCubator advisor to set up training covering the abovementioned topics.

- If no existing relationship exists, recipient businesses will be directed to the thINCubator's online business intake form to set up training covering the abovementioned topics.
- Any alternative counseling or other business assistance services by another entity or person must be deemed qualified by City of Utica Economic Development staff at its sole discretion prior to the distribution of funds.

Employment Standards

- Meet the project requirements established by the agreements between the City of Utica and the U.S. Department of Housing and Urban Development to create jobs for low- or moderate-income persons;
- 51% of those jobs created are to be held, or made available, to low- or moderate-income (LMI) persons as set forth in the federal national objective;
- Forty (40) work hours or more per week will be considered as one (1) full-time job equivalent (FTE). Part-time positions may be combined to create FTE positions; for example, two (2) part-time jobs that total 40 hours a week or more will be viewed as one FTE. However, BOTH part-time workers must be LMI for the combined FTE to be considered as LMI;
- At least ONE (1) FTE LMI job must be created. If the owner/operator of the microenterprise is LMI, that position will be counted as one FTE for purposes of the Program; and
- Seasonal jobs will be considered to be permanent jobs if the duration of working period is long enough to classify the job as the employee's principal occupation. The same number of hours are required to be worked by a seasonal worker, even if these hours are worked within a shorter duration of the year that the business is open.

Grant Assistance

- Grant minimum will be \$5,000
- Grant maximum will be \$15,000
- The fund will provide grants in the following manner:
 1. Financing of capital assets (such as buildings, machinery and equipment);
 2. Working capital; and

3. Grant recipient will provide a minimum of 10% cash equity in the project.
- Applicant must demonstrate completion of an approved entrepreneurial assistance or small business training program.
 - Business plan assistance offered by the thINCubator is provided to all clients at no charge.

Program Marketing/Outreach

- Release of program notification and application contact information to area media sources;
- Direct notification to all City of Utica Common Council Members and Oneida County Legislators within the City boundaries;
- Include information in MVEDGE newsletters;
- Post information to City of Utica website;
- Collaborate with area partners such as the thINCubator, the Genesis Group, and local chambers of commerce to advertise the grant program;
 - Additional outreach to the thINCubator small business incubator to identify MWBE business owners who may be good candidates for the program.
- Program Delivery staff will make additional efforts to identify and encourage marginalized and/or disadvantaged populations to participate in the program. These specific outreach efforts will include reaching out to various nonprofit partners working within the marginalized communities to inform any clients who are MWBE business owners to consider the grant program. This may include in-person events to explain the program to potential applicants. Potential partner organizations include:
 - Utica Veterans Outreach Center
 - MohawkValley Resource Center for Refugees (dba “The Center”)
 - Women’s Business Center of New York State
 - Junior Frontiers Alumni Impact Collective
 - Mohawk Valley Latino Association

Program & Grant Administration

Application Processing

For the project request to be processed all information must be included, complete and additional information may be requested. The participation in a technical assistance, training and mentoring effort will be required. The application will be processed by City of Utica staff as follows:

1. Potential applicant calls the City of Utica Urban & Economic Development staff and/or completes an eligibility questionnaire to determine if eligible for the program.
2. If eligible, the applicant may download the application form from the website, or call the City of Utica Urban & Economic Development office, to receive the application packet, document checklist and program guidelines by mail.
3. Review the submitted application for completeness including development and completion of approved business plan.
4. Review for eligibility to grant guidelines.
5. Determine economic feasibility, credit check analysis, and risk assessment.
6. If necessary, additional information will be requested from the applicant.

Application Review, Approval and Timing

Each grant must receive an approval before any activity begins. The goal is to act upon completed applications within two weeks and to close within four weeks of receipt of a completed application.

The City of Utica has the ability to disapprove a grant based upon incompleteness or ineligibility to program criteria as set forth in this program design plan and U.S. Department of Housing and Urban Development regulations. The applicant will be notified of the decision in a timely manner both verbally and in writing.

An approval notification will include information regarding the required training through the thINCubator. No funds will be distributed until the training requirement has been completed. A copy of the certificate or letter issued by the SBDC will need to be submitted to the City of Utica Urban & Economic Development staff to be included in the application file for microenterprise business.

Review Guidelines

In reviewing an application, the following factors will be considered, in addition to other terms set forth in this document:

1. Appropriateness of Assistance – Feasibility of the proposed project must be contingent upon receipt of funds under this program.
2. Job Creation – Each applicant must demonstrate the total number of permanent new jobs created or existing jobs retained by the proposed project. Particular emphasis

and priority will be given to those projects which create the highest number of permanent job opportunities for low- or moderate-income City of Utica residents.

3. Location of Business – Applications will be accepted and reviewed on a “first-come, first served” basis with no geographical distinction as long as they meet the program criteria.
4. Relocation Penalty – Any grantee who chooses to move its company from the City of Utica to another municipality prior to the end of the grant period will be subject to complete repayment of the grant at the time of the decision to relocate.

Grant Documentation

- A commitment letter will be provided detailing the approved grant, terms, requirements, conditions and next steps to be taken to close a grant award.
- Grant closing will be carried out by the City of Utica’s Corporation Counsel once all conditions are met and documents are provided by the grantee. Closing documents will include a grant agreement and all other appropriate documents.
- Grant disbursement will comply with terms meeting, grant closing and related documents, evidence that all equity is committed.

Program funds will be administered through the City of Utica Urban & Economic Development Office.

City of Utica Urban & Economic Development staff will conduct an annual financial review of all grantees. Grantees shall be asked to provide quarterly reports documenting job creation and retention of low- and moderate-income persons. The annual financial review will ensure that all conditions, covenants and terms of the grant are complied with. The annual review will also include an assessment of need for modified or on-going technical assistance and training.

In the case where default (defined as failure to comply with program guidelines) occurs the grantee will be notified in 30 days. A determination will be made if further information is required and if further technical assistance and support is required.