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Town of Bethlehem Microenterprise Grant Program

Program Guidelines

The Town of Bethlehem Microenterprise Grant Program was made possible through a \$200,000 grant from the New York State Office of Housing and Community Renewal. The Town of Bethlehem Microenterprise Grant Program will provide grants to eligible Microenterprises, emerging, and existing businesses that want to locate in or expand within the Town of Bethlehem. The Town of Bethlehem anticipates that a minimum of ten (10) businesses will be assisted with the awarded grant funds. Of these seven (7) will be businesses that create a job for a low-to moderate (LMI) persons and three (3) will be businesses owned by LMI persons.

During the application and subsequent grant implementation the Town of Bethlehem will work with all Microenterprises within the Town to identify additional funding sources and assistance programs that may be available to them. The Town will be a resource for businesses to ensure the success and longevity of Bethlehem businesses.

Section 1: Program Administration

The Town of Bethlehem Department of Economic Development and Planning (DEDP) will serve as the Program Administrator of the Town of Bethlehem Microenterprise Grant Program. The DEDP will be responsible for marketing the program, accepting and processing applications, documenting participant Community Development Block Grant (CDBG) income eligibility, number of employees and setting up the participant files to document services and eligible costs. The DEDP will work with applicants to ensure compliance with the program guidelines.

Section 2: Program Rules and Guidelines

1. Businesses must be located, or intend to locate within the Town of Bethlehem. (A grant recipient shall be located within the Town of Bethlehem prior to receiving grant funds.) Proof of Bethlehem location shall be provided.
2. Businesses must contribute at least 10%, in cash equity, of the cost of the project; Microenterprise Grant Program funds may not exceed 90% of the project cost.
3. Businesses receiving funding must create one (1) full time equivalent (FTE) new job offered to or made available to persons from low-to-moderate income (LMI) families OR be owned by a person defined as LMI. Verification of income status shall be completed by new employees on forms provided by the Town of Bethlehem. LMI business owners must submit verification through tax returns.
4. New jobs must start within the 24 month grant period, which begins on the executed contract date between the Town of Bethlehem and New York State. Businesses must report back to the Town on jobs and 51% of total jobs must benefit LMI persons.

5. Grant funds must be used directly by the applicant to purchase capital goods, including machinery, furniture, fixtures, equipment; and/or to provide working capital to support business operations. These funds must be used within the 24 month grant period, which begins on the executed contract date between the Town of Bethlehem and New York State.
6. Grant recipient’s business must remain in existence through the term of the grant agreement or the recipient may be required to repay the full or portion of the award amount as determined by the Microenterprise Grant Application Review Committee.
7. Grant recipient’s principal place of business shall be located in the Town of Bethlehem throughout the term of the grant agreement or the applicant will be required to repay the full award amount.
8. Grant recipients must complete a mandatory Entrepreneurial Training Program as a requirement for receiving funds. The Town has partnered with the Community Loan Fund of the Capital Region to provide the training in the spring of 2015. Grant funds will be disbursed to recipients upon completion of the training program.
9. A minimum of 50% of grant funds shall be awarded to start-up businesses. A start-up business is defined as business that has been in operation for less than six months at time of application.
10. All personal and business financial information will be kept confidential. Program participant files with personal and business confidential information will be kept in locked secured storage units.

Section 3: National Objectives/LMI Limits

Federal standards require that a portion (51%) of CDBG program funds must benefit persons defined as low-to-moderate income (LMI) based on federal “HUD” standards, equivalent to 80% of the HUD Area Median Family Income (AMFI). HUD defines the AMFI for Albany County as \$78,300 in 2014. In order to qualify as LMI, persons must have combined family incomes below the limits as listed in Table 1 based on household size:

Table 1 – Albany County, New York								
Family Size	1	2	3	4	5	6	7	8
Income Limit	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,600	\$86,900

Section 4: Eligibility Criteria

1. Applicants must be a private for-profit business entity; corporation, partnership, or sole proprietorship that is legal, licensed and operating be sole proprietors, partnerships, or corporations.
2. Applicants must be new and existing businesses with five or fewer employees, one or more of which may be the owner of the business at the time of application.
3. Applicants’ future or existing business location must be within the Town of Bethlehem.

Section 5: Application Review Process

1. All applicants shall complete the attached Town of Bethlehem Microenterprise Grant Program application form.
2. All applications shall be submitted to:
 Town of Bethlehem Department of Economic Development and Planning

Bethlehem Town Hall
Attn: Economic Development Coordinator
445 Delaware Avenue
Delmar, New York 12054

3. The deadline for applications is expected for spring of 2015. Applications postmarked after this date will not be considered for the first round of program awards. A second round of awards will be conducted if the grant funds are not fully expended during the first round.
4. The Town of Bethlehem Department of Economic Development and Planning (DEDP) Staff will review applications to determine eligibility and completeness. DEDP staff will contact applicants regarding missing information or to seek clarification on information provided. Following the DEDP review, the application will be forwarded to the Microenterprise Grant Application Review Committee. The Grant Application Review Committee will review each application and forward recommended applications to the Town Board for their consideration of approval.
5. All applicants will be notified in writing as to the status of their submission.
6. Applicants that do not receive a grant award can contact the DEDP to discuss their application and identify opportunities for improvement or other available funding resources.

Section 6: Application Review Criteria

The decision whether to make a grant will be a judgment about the probability of the business succeeding and whether the project furthers the economic development goals of the Town of Bethlehem.

All applications will be reviewed and preference will be given to those that:

1. Are owned or proposed by individuals who are low-to moderate income persons (LMI). In order to qualify as LMI, persons must have a combined family income below the limits based on household size as shown in Table 1, Section 3.
2. Maximize "leverage" by taking advantage of other grant and loan programs.
3. Show a commitment to utilize services and/or equipment from other businesses located within Bethlehem.
4. Show a commitment of funds for required equity.
5. Demonstrate the reasonableness of project costs.
6. Create high quality, well-paying jobs.

Other Considerations

1. The Town of Bethlehem Microenterprise Grant Program is intended as a financial assistance program for applicants with few personal assets, little or no usable collateral, and credit rating below those that commercial lenders would consider acceptable for financing decisions. Where they exist, these issues will be considered by the Microenterprise Grant Application Review Committee; but they are not, by themselves, factors in support or against an application.
2. Applications will be evaluated on the merits of the case as stated in the grant application.
3. The Town of Bethlehem Microenterprise Grant Program will be implemented in ways consistent with the Town's commitment to state and federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with program funds on the basis of his or her religion or

religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status, physical or mental disability, sexual orientation or other arbitrary cause.

Section 7: Use of Program Funds

1. Microenterprise Grant Program funds must be justified and be used directly by the applicant to purchase capital goods, including machinery, furniture, fixtures, equipment; and/or to provide working capital to support business operations. Applicants must provide bids or quotes as part of their application for any proposed goods and services that will be purchased with grant funds.
2. Microenterprise Grant Program funds shall not be used to purchase real estate; repay existing debt; undertake building façade or interior building renovations (any construction); or to make any investment or payment that are outside the scope of the business. Applicants are strongly encouraged to contact the Department of Economic Development and Planning to determine the eligibility of proposed expenses.

Section 8: Amounts and Terms

1. All assistance will be provided in the form of a grant.
2. The Microenterprise Grant Application Review Committee will have the sole authority to set the grant award amount based on the determined need of the applicant and the availability of funds. Grant awards will range from \$5,000 to \$35,000.
3. A Microenterprise Grant Agreement between the Town and the Microenterprise owner(s) will be executed prior to the disbursement of any funds. This agreement will detail the terms and conditions of the funding.
4. The Microenterprise Grant Application Review Committee may award up to 90% of the total project cost, however equity participation from the applicant is required at a minimum rate of 10%. Combinations with other funding sources are anticipated and encouraged.
5. Businesses that cease to exist may be required to repay the full grant or a portion of the award. Determinations on the amount of the grant award required to be repaid will be made by the Microenterprise Grant Application Review Committee. Businesses that relocate outside of the Town of Bethlehem during the term of the grant agreement shall be required to repay the full grant amount.
6. For each grant awarded, at least one (1) full-time-equivalent (FTE) job must be created for a Low-to-Moderate (LMI) person, or the business owner must be considered LMI.

Section 9: Disbursement of Funds

Grant funds will be disbursed based on a mutually agreed upon schedule between the DEDP and the applicant following the approval of the applicant's application. Grant assistance will be based upon documented incurred costs. Please note, the type of documentation required will vary based upon the expense, i.e. equipment/working capital/inventory, etc.

Section 10: Associated Costs – Entrepreneurial Training Program

Applicants who are chosen to participate in the mandatory Entrepreneurial Training Program will be required to pay a fee of \$160. This training program fee will be reimbursed to the applicant once the training is completed.

Section 11: Marketing

The Town of Bethlehem Department of Economic Development will be responsible for marketing the Microenterprise Grant Program. The deadline for submittal of the grant application is expected to be the Spring 2015 and prior to that deadline the Department of Economic Development and Planning will hold two public information sessions on the Microenterprise Grant Program. The public information sessions will include an overview of the Microenterprise Grant Program as well as instructions on how to complete the application and what additional documents are required. Town DEDP staff will also present on the reporting requirements that are required and provide necessary forms for completion.

The Town will also advertise the Microenterprise Grant Program on the Town's website with links to the program guidelines and application. The Town will also partner with the Bethlehem Chamber of Commerce and Bethlehem IDA to provide program information on their website and promote the program through their use of electronic newsletters. In addition paper applications will be available at Town Hall for interested applicants.