

NJEDA Small Business Services

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About NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth.

The NJEDA is committed to making New Jersey a **national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy.** Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to **enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.**

NJEDA

ECONOMIC DEVELOPMENT AUTHORITY

HELPING TO BUILD A
STRONGER AND FAIRER
NEW JERSEY ECONOMY

OVERALL COVID-19 RELIEF PROGRAM STATISTICS



94,000+
Awards Approved



\$710 Million 
Support Provided

COVID-19 ECONOMIC RELIEF PACKAGE



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM

77,992 applications approved for \$591.6 million in grants



SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM (Phases 1 & 2)

206 applications approved for \$13.8 million in loans



SUSTAIN AND SERVE NJ (PHASES 1 & 2)

\$34 million to support the purchase of 3.5 million meals



SMALL AND MICRO BUSINESS PPE ACCESS PROGRAM

13,062 businesses approved for more than \$11.2 million in discounts



PROGRAMS TO MOBILIZE CAPITAL TO MICRO, SMALL, & MEDIUM SIZED BUSINESSES (CDFIS)

400 applications approved for \$9.1 million in loans



ENTREPRENEUR SUPPORT PROGRAM

13 companies – 47 Investors approved for guarantees totaling \$2 million supporting investment totaling \$2.5 million



TECHNICAL ASSISTANCE – SBA, E-COMMERCE, BUSINESS CONSULTING

538 applications assisted with services totaling \$537,668



COMMUNITY STAGE RELIEF GRANT

36 applications approved for total of \$3 million

Main Street Recovery Program



What is the Main Street Recovery Program?

\$100 million appropriated for several products to support New Jersey small businesses:

Products are expected to consist of:

- 1) Grants to Small Businesses** – Will support NJ small businesses (as defined by SBA) with renovations, improvements, lease payments, and purchase and/or installation of furniture, fixtures and equipment.
- 2) Loans to Micro Businesses** – Low-cost financing will support NJ micro businesses, defined as businesses with 10 or fewer full-time employees, and less than \$1.5 million in annual revenue.
- 3) Resources for Lenders** - Loans and grants to lenders that have at least 10 years of experience servicing micro businesses. These resources will help lenders support more micro businesses with loans and technical assistance. Eligible lenders will include:
 - Community Development Financial Institutions (CDFIs)
 - Minority Depository Institutions (MDIs)
 - Zone Development Corporations (in cities with a population of more than 100,000)
 - Community Development Corporations
 - Economic Development Corporations

Initial Product Offerings

The Main Street rule proposal establishes two initial product offerings:

Small Business Lease Grant



Provides grant funding to offset a portion of lease payments for businesses leasing new or additional space.

Small Business Improvement Grant



Reimburses business owners for costs associated with making interior or exterior building improvements or purchasing/installing furniture, fixtures, or equipment.

Small Business Lease Grant - \$10 million



OVERVIEW

- ▶ **40% of grant funding will be set aside for businesses located in an Opportunity Zone.**
- ▶ **Provides grants to businesses to offset a portion of annual lease payments for leases with a minimum 5-year term. Leases must have been executed within 12 months of application to be eligible.**
- ▶ **Grant payments are made in two disbursements:**
 - First disbursement will be made after execution of grant agreement, for an amount equal to 20% of annual lease payment.
 - Second disbursement will be made after 12 months of lease payments have been paid by the applicant, for an amount equal to 20% of annual lease payment.
- ▶ **Applicants with multiple locations are limited to one application per location.**
- ▶ **Approval fee: \$100 - due at time of approval and prior to execution of grant agreement.**

Small Business Lease Grant



APPLICANT ELIGIBILITY

- ▶ **Open to commercial businesses and nonprofits**
- ▶ **Applicants must meet the following eligibility requirements:**
 - Meet SBA definition of a Small Business – determined by applicant’s NAICS code.
 - Provide a current tax clearance certificate.
 - Be in good standing with Department of Labor and Department of Environmental Protection.
 - Certify at time of application that they are not in default on any other NJEDA or State assistance.
 - Commit to remaining in the facility for at least five years.



LEASE ELIGIBILITY

- ▶ **A lease must meet the following eligibility requirements:**
 - 250 – 10,000 s.f. of office, commercial space, or retail space, with a minimum 5–year term.
 - Only the first 10,000 s.f. of a larger lease is eligible for grant support.
 - Must be a new lease, or amendment or extension of an existing lease. New or amended space must be at least 250 s.f. larger than prior space.
 - Must include first-floor (street-level) space. Leases with two floors are eligible as long as street-level space is included.
 - Must be market-rate based on commercial real-estate information.
 - Lease cannot be executed more than 12 months prior to date of application.

Small Business Lease Grant



EXCLUSIONS

- ▶ Applicants cannot terminate an existing lease and enter into new lease for same or less square footage in order to pursue this grant.
- ▶ Grantees that default on lease payments or leave the space during their grant term are no longer eligible for the incentive and must repay any funding they received from the NJEDA.
- ▶ High-Tech and business incubator members in not-for-profit facilities are not eligible for independent lease incentives, however operators of incubators are eligible.
- ▶ Landlords cannot have an ownership interest in the tenant.
- ▶ Tenant would need to get certification from landlord they are current on lease payments.

Small Business Improvement Grant - \$15 million



PROGRAM OVERVIEW

- ▶ **40% of grant funding will be set aside for businesses located in an Opportunity Zone.**
- ▶ **Provides grants funding equal to 50 percent of project costs (max \$50,000).**
 - Grant funding can be used for the reimbursement of:
 - Interior and exterior renovations at the business.
 - Purchase and installation of new furniture, fixtures, and equipment (FFE).
 - Minimum project cost of \$5,000.
- ▶ **Limit of one grant per Employer Identification Number (EIN).**
- ▶ **Entities operating in multiple locations under a single EIN are limited to one application under the sole EIN, but a single application may include project costs across multiple locations.**
- ▶ **Approval fee: \$100 - due at time of approval and prior to execution of grant agreement.**

Small Business Improvement Grant



PROJECT ELIGIBILITY

- ▶ Reimbursement for interior or exterior building improvements or purchase and/or installation of FFE that are completed prior to application.
- ▶ Home-based businesses may only receive reimbursement for purchase and/or installation of FFE.
- ▶ Work can have started on or after March 9, 2020, must be paid for no more than 2 years prior to application date.
- ▶ Applicants certifies at time of application that work is completed.
- ▶ Must provide documentation proving payment was fully made for completed work (invoices, statement, payments, and/or cancelled checks).
- ▶ Total project cost must be at least \$5,000.
- ▶ Applicant is responsible for all applicable local approvals (i.e. zoning and building permits).
- ▶ Projects over \$50,000 are subject to Green Building Standards for lighting and/or mechanical work.
- ▶ If applicant leases space, then landlord's permission to make improvements is required.
- ▶ Projects utilizing contractors with 4 or more employees (total workforce, not specific to project) may be subject to Affirmative Action requirements.

Main Street Recovery Fund Requirements



Main Street grant applicants must be prepared to comply with the following requirements:

- ▶ **Wage requirements** – Employees must be paid the greater of \$15/hour or 120% of minimum wage on all full time and part time employees.
 - NJEDA will monitor for this annually, by collecting either a WR-30, payroll report, or equivalent documentation.

- ▶ **Commitments under each grant, subject to businesses repaying the grant for non-compliance:**

- ▶ **Small Business Lease Grant** – Must commit to remaining in the facility and meeting the wage requirements for 5 years after signing grant agreement.

- ▶ **Small Business Improvement Grant:**
 - For grants of less than \$25,000, business must commit to remaining in the facility and meeting the wage requirements for 2 years following grant agreement.
 - For grants of \$25,000 or more, business must commit to remaining in the facility and meeting the wage requirements for 4 years following grant agreement.

Main Street Micro Business Loan Program



A working capital loan up to \$50,000

Applicant Eligibility:

- ▶ Open to **for-profit, home-based, and non-profit entities** in operations for at least 6 months.
- ▶ **Gross revenue less than \$1.5 million a year** in the most recent federal tax return the applicant is required to file.
- ▶ **No more than 10 full time employees** at time of application and one quarter prior to application.
- ▶ Based in New Jersey.
- ▶ In good standing with NJ Department of Labor and Department of Environmental Protection.
- ▶ Must provide a current tax clearance certificate from NJ Division of Taxation.
- ▶ At least one owner with at least one **credit score of 600 or more**.
- ▶ Non-profits will need to be underwritten and meet a 1.0 DSCR
- ▶ One application/loan per EIN.

Main Street Micro Business Loan Program



ELIGIBLE USES

- ▶ Future business operating expenses (i.e. payroll, rent/mortgage, utilities, marketing expenses).
- ▶ Future inventory costs.
- ▶ Future purchases of equipment with installation costs up to \$1,999.99.

INELIGIBLE USES

- ▶ Rolling stock purchases (i.e. cars, tractors, vans).
- ▶ Refinancing of existing debt.
- ▶ Projects with construction related labor or contracts totaling \$2,000 or more.
- ▶ Personal costs or obligations unrelated to the business.
- ▶ Home-based businesses cannot use for residential costs (i.e. home mortgage/lease payments).

Main Street Micro Business Loan Program

TERMS

- ▶ Standard 10 year term
- ▶ 2 percent interest rate
- ▶ **No interest and no payments for the first year** after closing
- ▶ **No collateral** required
- ▶ Personal guarantees on all owners

FEES

- ▶ \$100 **non-refundable** application fee
- ▶ \$400 closing fee

Main Street Micro Business Loan Program



LOAN FORGIVENESS

- ▶ **Loan forgiveness available the end of the 5th year** if the recipient
 - Is not in default,
 - Has no payment delinquencies over 90 days, and
 - Is still open and operating.
- ▶ Loan recipient must provide EDA **Open and Operating Certification form** 60 days prior to the end of the 5th year.
 - Payments must continue until the NJEDA receives and approves this form.
- ▶ If an applicant is not eligible for forgiveness then payment terms remain in effect for the full term of the loan.

Other Products





DIRECT LOANS

New Jersey businesses in operations for 2 years and reporting a profit that are in need of financing and committed to job creation/retention may be eligible for direct loans through the NJEDA when conventional financing is not available.

Dollar Amount

Up to

\$2 million

Eligibility:

- Commit to creation or retention of one new, full-time job for every \$65,000 of NJEDA exposure within two years
- Need collateral to secure the loan
- \$1,000 application fee, .0875% commitment fee and .0875% closing fee
- Must meet 1.1 (1.0 for non-profits) debt service coverage ratio
- Home-based businesses are not eligible

Benefits:

- Flexible interest rates
- Up to \$2 million for fixed assets (real estate or equipment)
- Up to \$750,000 for working capital – will still need collateral
- Amortization up to 5 years for working capital, 10 years for equipment transactions, and 20 years for real estate transactions



SMALL BUSINESS FUND

New Jersey businesses in operations for 1 year with revenue less than \$3 million and reporting a profit that are in need of financing.

Dollar Amount

Up to
\$500,000

Eligibility:

- Need collateral to secure the loan
- \$300 application fee, .5% commitment fee and .5% closing fee
- Must meet 1.1 (1.0 for non-profits) debt service coverage ratio
- Home-based businesses are not eligible

Benefits:

- Flexible interest rates
- Up to \$500,000 for fixed assets (real estate or equipment)
- Up to \$500,000 for working capital – will still need collateral



PREMIER LENDER PROGRAM

Partnering with banks to ensure that New Jersey businesses and communities have the resources necessary to expand and have a healthy climate for growth.

Dollar Amount

Up to **\$2 million** for fixed assets

Up to **\$750,000** for working capital

Line of Credit Guarantees up to **\$750,000**

Eligibility

- Be in operation for at least 2 full years.
- Commit to creation or retention of one new, full-time job for every \$65,000 of NJEDA exposure within 2 years.
- 1.1X Debt Service Coverage Ratio (for businesses);
- 1.0X Debt Service Coverage Ratio (for not-for-profits).
- 100% loan-to-value for real estate and 90% for equipment.

Benefits

- Access to low-cost financing that includes NJEDA loan participation and/or guarantees, and line of credit guarantees.
- Financing can be used for fixed assets or term working capital.
- Attractive interest rates and terms.



PREMIER LENDER BANKS



Bank of America



The Bank of Princeton
Bank Wisely.



investorsBank



PREMIER LENDERS



NJ EDA



ECONOMIC DEVELOPMENT AUTHORITY





CDFI LOAN TO LENDERS PROGRAM

NJEDA partners with Community Development Financial Institutions (CDFIs) who routinely work with micro-enterprises and small businesses not qualified for traditional bank financing. This program gives qualified CDFIs access to NJEDA participations and guarantees to support their loans to small businesses.

Dollar Amount

Up to
\$1.5 Million
per CDFI

Eligibility

- CDFIs looking to qualify for an NJEDA loan through the program must have a minimum of five years of demonstrated lending and portfolio management history.
- CDFIs can use NJEDA funding to provide term loans or lines of credit to qualified businesses. NJEDA funding cannot be used to restructure or refinance existing debt.
- Premier CDFIs cannot use Loan to Lender funding to finance requests through the Premier CDFI Program.

Benefits

- By leveraging NJEDA resources, CDFIs can provide financing to more small businesses.

Please reach out to the following CDFIs that have participated in this program regarding their loan products and services.





SMALL BUSINESS BONDING READINESS ASSISTANCE PROGRAM

Designed to help small business who need surety bonding to participate in state and federal contracts by providing comprehensive technical assistance.

*105 graduates have qualified for \$40 million in bonding

In Partnership with



Your Strategic Partner for Success!



Classroom Training

- Finance
- Operations
- Contract law and avoiding construction fraud
- Optimizing your bond line
- Estimating and working with construction documents
- QuickBooks Training
- Consulting Services
- and more

Benefits

Free Capacity Building Solutions for Small, Minority, Woman, Veteran -Owned Construction Firms in the areas of

- Bonding & Insurance
- Community Outreach
- Capital Management
- Compliance & Monitoring
- Capacity Building Programs
- Back Office Services
- Construction Management



Visit www.njeda.com
for more information.

Email smallbusinessservices@njeda.com with your questions



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