

Nanticoke *LEAP*

City of Nanticoke Local Economic Assistance Program (LEAP) Program Guidelines March 1, 2021

The City of Nanticoke Local Economic Assistance Program (Nanticoke LEAP) is a forgivable loan program for small businesses located in the City. The purpose of Nanticoke LEAP is to retain jobs for low- to moderate-income individuals. The City of Nanticoke is working with Hailstone Economic, an independent third party, to offer this program to the community.

Eligible Businesses

To be eligible for Nanticoke LEAP, businesses must meet all of the following criteria:

1. Located in the City of Nanticoke, Luzerne County, Pennsylvania for at least 12 months
2. At least one low- to moderate-income employee
3. Fewer than 100 employees worldwide
4. Have annual revenue of \$1 million or less
5. Have filed at least one tax return
6. Be up to date on all federal, state, and local taxes or be on a payment plan
7. Have experienced disruption because of COVID-19
8. Legally recognized as a business by the Commonwealth of Pennsylvania

Businesses with five or fewer employees (including the owner) will be prioritized.

The following types of businesses are not eligible for this program

- Nonprofit organizations
- Real estate developers
- Businesses providing assistance in the form of lobbying or other political activities
- Private or commercial golf courses
- Country clubs
- Massage parlors
- Hot tub facilities
- Suntan facilities
- Racetracks or other facilities used for gambling

In addition, privately-owned recreational facilities that serve a predominantly higher-income clientele where the benefit to users clearly outweighs the benefit of jobs created or retained are not eligible.

For-profit business owners that are the subject of unresolved findings of noncompliance related to previous CDBG assistance are not eligible for this program.

Amount of Assistance

A total of \$158,860.24 is available. Qualified businesses will receive a forgivable loan between \$2,500 and \$15,000.

Use of Funds

Funds can be used for payroll, rent, mortgage, utilities, supplies (up to 90 days), insurance, accounting, legal services, and advertising. Funds cannot be used toward expenses already covered by another funding source.

Deadline

Applications will be reviewed in the order they are received; however, applications will not be reviewed until they are complete.

How to Apply

Interested businesses should submit a Letter of Inquiry using [this online form](#). After this form is received, a representative from Hailstone Economic will contact interested businesses to determine eligibility.

If the business is eligible, Hailstone Economic will assist businesses with the application process which includes filling out forms and providing supporting documentation.

Review and Evaluation Process

Applications will be prepared and reviewed by Hailstone Economic. Funding decisions will be made by the City of Nanticoke.

Terms

Borrowers are not required to make payments on the loan until it is determined whether or not the loan will be forgiven. No interest will be incurred during this time. There are no fees associated with this loan.

Loans will be forgiven when 1) documentation shows that a full time permanent job was created or retained for a low- to moderate income (LMI) individual; 2) this job was retained for a minimum of at least 12 months; and 2) all reporting requirements have been completed. If all of these requirements are not met, loans must be repaid to the City by May 31, 2022.

Job Creation and Retention

Each borrower must document that they have created or retained one full time equivalent (FTE), permanent job for a low- to moderate-income (LMI) person. FTE is based on a 40-hour work week. This goal can be achieved with one person working 40 hours per week, two persons working part time 20 hours per week, four persons working 10 hours per week, etc. LMI jobs are those that pay \$40,150 or less per year.

Job Retention

A retained job is a position in which there is sufficient information documenting that the job would have been lost without this assistance. Applicants must document that one or both of the following applies to the created or retained jobs: 1) the job is held by a LMI person; or 2) the job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person.

For a LMJ activity to be considered retained under the CDBG program, there must be clear and objective evidence that permanent jobs would be lost if not for the CDBG assistance. For these purposes, “clear and objective” evidence includes:

- Evidence that the business has issued a notice to affected employees or made a public announcement to that effect, 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.

Job Creation

A created job is a position made available through expansion of the business. Businesses must have documentation indicating that the job created will be held by, or made available to, LMI persons.

A created job is a position made available through expansion of the business. A job that is not held by a LMI individual is “available to” a LMI person only if two conditions are met first:

1. The job does not require special skills that can only be acquired with substantial (i.e., one year or more) training or work experience, and education beyond high school is not a prerequisite to fill the job unless the business agrees to hire unqualified persons and train them; AND
2. The assisted business takes actions to ensure that low- and moderate-income persons receive “first consideration” for filling such jobs.

“First consideration” for low- and moderate-income persons means the following:

1. The business uses a hiring practice that results in over 51 percent of low- and moderate-income persons interviewed for an applicable job being hired;

2. The business seriously considers enough low- and moderate-income job applicants to give reasonable opportunity to fill the position with such a person; AND
3. The distance from residence and availability of transportation to the job site must be reasonable before a given low- or moderate-income person may be considered a serious applicant for the job.

Businesses must distribute employment notices in a way that will reasonably be accessible to LMI persons such as Pennsylvania Careerlink, local newspapers, or newsletters in an LMI neighborhood, job centers, public housing authorities, and any other local method that is often used to notify persons of job availability.

Reporting Requirements

Borrowers will submit two reports to the City: the first within one (1) month of signing the loan agreement and the second twelve (12) months after the loan agreement is signed. In addition to providing documentation of expenses and business viability, borrowers will be required to provide documentation about jobs created or retained which includes the following information:

- Job title
- FTE status
- Household size
- Income of each LMI person
- Job retention period
- Employee number
- Employee name
- EDA job category
- Hire date
- Pay rate
- Termination date
- Disabled
- Race
- Hispanic (Yes/No)
- Gender
- Total hours worked for reporting period
- FTE Equivalent if part time
- Does employer have sponsored health care benefits

Background Information

This program is funded using Community Development Block Grant (CDBG) funding (FFY 2020-CV) through the Pennsylvania Department of Community and Economic Development. The CDBG program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended 42 U.S.C.-530.1 et seq.

The program has three objectives:

- 1) benefit to low- and moderate- income (LMI) persons;
- 2) aid in the prevention or elimination of slums or blight; and
- 3) meet a need having a particular urgency.

At least 70% of funds must be used to benefit low- to moderate-income individuals. Nanticoke LEAP benefits low- to moderate-income individuals by retaining or creating jobs.