

Business Resources and Loan Opportunities

March 3, 2022



Back on Track,
Together



Welcome from PSE&G

Nicole Swan, Director Business Customer Solutions,
PSE&G

Agenda



Welcome from Business Customer Solutions Director, Nicole Swan



NJ Economic Development Authority Overview of Programs Available for Businesses – Carla Morrison, Small Business Liaison NJEDA



UCEDC Overview of Small Business Loan Program – Adam Farrah, President, UCEDC



Remarks from NJBIA – Michele Siekerka, President & CEO, NJBIA



Remarks from NJCC – Tom Bracken, President & CEO, NJ Chamber of Commerce

Closing Remarks from PSE&G – Nicole Swan, Director Business Customer Solutions, PSE&G

Q&A



Carla Morrison

**Small Business Liaison
NJEDA**

<https://www.njeda.com/>

NJEDA Small Business Services

March 3, 2022

Carla Morrison, Small Business Liaison



About the 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

NJEDA

Principles Underlying New Programs

1. Supporting job creation
2. Investing in innovation
3. Providing relief for Main Street businesses
4. Helping underserved communities
5. Implementing anti-corruption and oversight reforms

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

Pilot Products



NJEDA intends to develop future pilot products to be funded under the Main Street Recovery Program:

▶ Micro Business Loans

- Working capital loans of up to \$50,000 to be provided directly to micro businesses from NJEDA.
- Financing will be low-cost, with attractive terms and rates.

▶ Loans to Micro Business Lenders

- NJEDA will provide loans to micro business lenders, who will use that funding to increase capacity under their existing loan programs, or establish new micro business lending programs with attractive terms.
- Eligible lenders would include CDFIs, MDIs, Zone Development Corporations in cities with populations of 100,000+, CDCs, EDCs, and non-profit lenders with at least 10 years of micro business lending experience
- Lenders will also receive a portion of the funding as technical assistance grants, to provide services to better position micro businesses to qualify for these loans. Technical support services would include, but are not limited to: credit repair services, assistance with writing business plans and preparing financial statements and projections.

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



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.
 - Certify at application the applicant will pay wages that are the greater of \$15/hour or 120% of the minimum wage rate. Tipped employees are required to be paid only 120% of minimum wage rate. Wage requirements last for the term of the grant agreement (5 years).
 - Commit to remaining in the facility for at least five years.

Small Business Lease Grant



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.
- ▶ Businesses operating under an existing Small Business Lease Assistance Program grant agreement are not eligible to apply but may opt out of their existing grant agreement 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



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



APPLICANT ELIGIBILITY

- ▶ **Commercial businesses and nonprofits are eligible.**
- ▶ **Applicants must:**
 - Meet SBA definition of Small Business - based on applicant's NAICS code.
 - Rent or own and operate from facility as a commercial business.
 - Provide a current tax clearance certificate and be in good standing with Department of Labor and Department of Environmental Protection.
 - Certify at time of application that they are not in default of any other NJEDA or State assistance.
 - Certify at application the applicant is willing to pay wages that are the greater of \$15/hour or 120% of the minimum wage rate. Tipped employees are required to be paid only 120% of minimum wage rate.

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 must be complete on or after March 9, 2020, but no more than 2 years prior to application date.
- ▶ Must provide documentation proving payment was 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 Micro Business Loan Program



Loans to support the purchase of future inventory, future purchases of equipment, payroll, rent, and working capital to fund business operating expenses

Dollar Amount

Up to

\$50,000

Visit www.njeda.com/microbusinessloan for more information

Eligibility

- For-profit, home-based, and non-profit entities in operations for at least 6 months
- Gross revenue less than \$1.5 million per year
- No more than 10 full time employees at time of application and one quarter prior to application
- Based in New Jersey
- Home-based businesses **cannot** use loans for residential costs (i.e. mortgage/lease payments)
- \$100 application fee and \$400 closing fee

Benefits

- Standard 10 year term at 2% interest rate
- No interest and no payment for first year
- No collateral required (personal guarantees required)

Forgivable

- Balance fully forgiven the end of the 5th year if:
 - Applicant is not in default
 - No payment delinquencies of 90 days or more
 - Is still open and operating

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



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.
- ▶ 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



TERMS

- ▶ Standard 10 year term.
- ▶ 2 percent interest rate.
- ▶ **No interest and no payments for the first year** after closing.
- ▶ No payment term amendments are allowed prior to end of 5th year.
- ▶ **No collateral** required.

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 this form.
- ▶ If an applicant is not eligible for forgiveness then payment terms remain in effect for the full term of the loan.

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. For tipped employees, only the 120% of minimum wage requirement applies.
 - NJEDA will monitor for this annually, by collecting either a WR-30, payroll report, or equivalent documentation.
- ▶ **Green Building Standards** – For the Small Business Improvement Grant, projects with total project cost of over \$50,000 must adhere to green building standards. For the purposes of the Improvement Grant, this is applicable to mechanical and lighting improvements only.
- ▶ **Affirmative Action** – For the Small Business Improvement Grant, contractors with 4 or more employees (in total, not specific to the project applying for a grant) are subject to Affirmative Action requirements.
- ▶ **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 following 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.

Other SBS Products





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.

Contact AACCNJ to learn more and apply.

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.



@NewJerseyEDA

NJEDA



Adam Farrah

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UCEDC Overview for...



PSEG

We make things work for you.

A Non-Profit Economic Development Corporation



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Need small business financing?

[Learn more and apply!](#)



LOANS

Small business financing for start-up and growing businesses

TRAINING

Entrepreneurial seminars and free business skills workshops

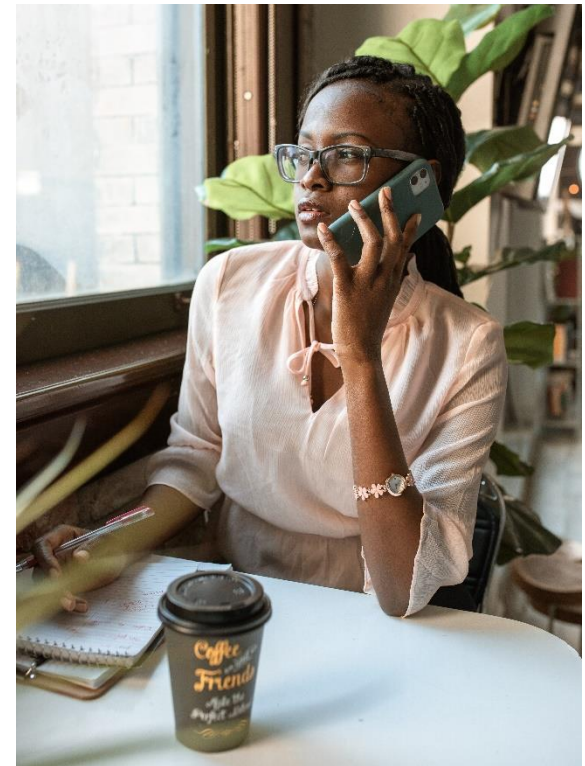
GOV'T CONTRACTING

Free counseling, training and support to get you going and winning

Lending

Your business is more than a credit score to us

- Community Development Financial Institution (CDFI)
- US Small Business Administration (SBA) lender
- Microloans – up to \$50,000
- SBA 7a Community Advantage loans – up to \$250,000
- SBA 504 Commercial Real Estate & Major Equip. loans – up to \$5mil.



Small Business Financing Options

Microloans

- Existing Businesses or Start-Ups
- Up to \$50,000
 - Lower amounts for start-up or unsecured
- Terms up to 6 years
- Fixed rates – 5.25% to 8.25%
- No fees, no prepayment penalties

Small Business Financing Options

Special Microloan Programs

Rapid Response

- Up to \$10,000, 3 years
- 1+ year in business
- DSC: 1.1x or higher
- Min FICO 650
- Interest rate 8.25%
 - Prime if FICO > 700
- Unsecured; Personal Guarantee

Prime Lock

- Up to \$25,000, up to 5 years
- 3+ years profitable in business
- DSC: 1.15x or higher
- Min FICO 680
- Prime Rate (currently 3.25%)
- Unsecured; Personal Guarantee

Small Business Financing Options

Community Advantage 7(a)

- Up to \$150,000 for start ups
- Up to \$250,000 for existing & profitable with collateral
- SBA guarantee
- Interest rates start at Prime plus 1% (now 4.25%)
 - Fixed rate option (+0.50%)
- Up to 10 year term, 20 years for real estate
- Wide variety of uses

Small Business Financing Options

SBA 504

- Owner-occupied real estate or major equipment
- Real Estate up to 25 years; equipment 10 years
- Participation loan:
 - Bank (up to 50%); UCEDC / SBA (up to 40%); Borrower 10% +)
- SBA portion is fixed rate – set at funding. January rates below 3%

Training & Technical Assistance

Get the business skills you need to start, grow and thrive



- Free workshops
- Business Basics
- Entrepreneurship Training Courses
- Business Mentoring (one-on-one counseling)
- Special Programs
 - Entrepreneurship as a Second Chance (ESC)
 - Virtual Incubator Program (VIP)

Procurement Technical Assistance Center (PTAC)

PTAC is your gateway to Government Contracts



- Free seminars
- One-on-one counseling
- Registrations & Certificates
- Identifying bid leads
- Marketing to purchasing agents
- Proposal development
- Regulations & Military Specifications
- Subcontracting assistance
- Government Services Administration (GSA)

Contact Us...

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Melanie Willoughby

Executive Director
NJ Business Action Center
<https://nj.gov/state/bac/>



Nicole Swan

Director, Business Customer Solutions
PSE&G

PSE&G Resources

- Get Help Paying Your PSE&G Bill

If you're behind on your bill but can't make up the past-due balance all at once, a [Deferred Payment Arrangement](#), or DPA, may be able to help you catch up. You can pay your past due balance over an agreed upon period of time. To set up a Deferred Payment Arrangement, log in to *My Account* or call [800-357-2262](tel:800-357-2262)

- [PSE&G Business Solutions Center](#) is a dedicated customer service team of knowledgeable professionals ready to assist you with your business needs. The Business Solutions Center can be reached at 855-BIZ-PSEG (855-249-7734), Monday through Friday, 8 a.m. to 5:30 p.m.



**Thank You
Questions?**



**Back on Track,
Together**

