



Small Business CDBG Microgrants

The City of Scranton, in conjunction with the Small Business Development Center (SBDC) at The University of Scranton, announce the CDBG Small Business Micro-Grant Program for new or early-stage businesses located in Scranton's low-moderate-income demographic areas (LMA). Funds, ranging from \$2,500 to \$5,000 per business, will assist with start-up costs, thus contributing to their initial success and continued revitalization of our community.

The Community Development Block Grant (CDBG) Program provides funding to the City of Scranton to develop and maintain viable urban communities by providing economic development opportunities. CDBG funding must meet the national objective to benefit LMA, including business retention activities.

A Business is defined as a commercial enterprise that has at least one (1) or more employees, one (1) or more of which is the principal and owns the enterprise at the time of application. This includes both part-time and full-time employees. A Business is a private for-profit business entity; corporation, partnership, or sole proprietorship that is legal, licensed, and operating entities in the Commonwealth of Pennsylvania.

PROGRAM OVERVIEW

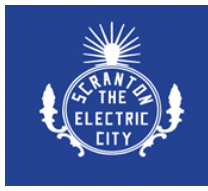
- Grant awards will be between \$2,500 to \$5,000 for qualifying for-profit small businesses through the 2022 year
- Business must be located in a qualifying Low-to-Moderate service area within the City of Scranton
- New and newly established is defined as businesses opened for business from January 1, 2021 or planning to open within 9 months of application.
- Business Owner must be or have worked with SBDC at The University of Scranton to complete a business education series and/or business consultation
- Final applications must include a referral form from the SBDC at The University of Scranton, that the business has successfully completed series or consultation.
- Business owner is required to show proof of \$5,000/100% cash equity to start business OR funding received on reimbursement basis following submission of acceptable expenditures.

Eligible Uses of FUNDS

- Inventory
- Procurement of machinery, furniture, fixtures and equipment
- Working/Operating capital (not to include interest or finance charges)
 - Defined working/operating capital - Utilities, rent, business services (accounting, IT, website development)

Ineligible or Restricted Uses of Funds:

- The repayment of existing debt
- Employee/owner payroll taxes
- Reimbursement of costs incurred prior to loan award
- Reimbursement for interest charges or finance changes of any kind with no exceptions
- Political or religious activities
- Lobbying any governmental entity



ELIGIBILITY REQUIREMENTS:

- Business must be located in a qualifying Low-to-Moderate service area within the City of Scranton, as determined by census tract data. Link to map: <https://arcg.is/14zCnT>
- Business must be locally owned and non-franchised
- No minimum number of employees required outside the principal owner are eligible
- A newly established business is defined as opening from January 1, 2021, through the present day
- The purchase of an existing business does not qualify.
- Must have at least a year long signed lease agreement OR provide evidence you are the owner of the building out of which the business will operate.
- Applicant must have the required local, State and Federal licenses, permits, or registrations to operate their business in the City of Scranton.
- Applicant must be registered with the Single Tax Office and Berkheimer Tax Office.
- No applications will be considered if the current business or entity is in arrears for City taxes or has any other outstanding liens or judgements.
- Applicant must complete a SBDC at The University of Scranton business education series or business consultation designed to enhance the business and owner's chance of success.
- Applications must include a recommendation from the SBDC at The University of Scranton that the business owner has successfully completed the required educational series or business consultation.
- All grant awardees will be required to enter into a CDBG Grant Agreement with the City prior to issuance of grant funds.
- Grant funds not meeting HUD criteria, will need to be repaid (clawed back) to the City
- Applications will be reviewed on a first-come, first-serve basis
- Only complete applications will be processed.

HOW TO APPLY:

- Eligible business owners in the City of Scranton may apply
- Applications will be considered as received for a mentorship program beginning as early as January 2022
- The on-line applications can be found at the following web address:
<https://portal.neighborlysoftware.com/SCRANTONPA/participant>
- Qualifying businesses selected to receive grants will be contacted with a request to submit additional documentation prior to issuance of grant award.

APPLICATION REVIEW AND SELECTION:

- Applications will be reviewed by City of Scranton staff.
- If the applicant is unable to complete the application, it will be denied.

TERMS OF GRANT AWARD:

- Once an application is approved, the grantee will be required to sign a Memorandum of Understanding agreement with the City.
- At the discretion of the City, grant funding will be made available on a cost reimbursement basis following the grantees proof and submission of expenditure.

CONTACT FOR QUESTIONS

Please contact Tricia Zilaitis at Tzilaitis@scrantonpa.gov for more information.