

Chapter 17: NYC Small Business Covid Recovery Grant Program

§ 17-01 Purpose.

The objective of the NYC Small Business COVID Recovery Grant Program ("Grant Program") is to provide immediate funding to small businesses in LMI areas, and small businesses in the Arts, Entertainment, and Recreation sector and small businesses in the Accommodation and Food Services sector.

(Added City Record 9/17/2021, eff. 9/17/2021)

§ 17-02 Definitions.

As used in this chapter, the following terms have the following meanings:

Applicant. "Applicant" means a commercial business that is applying for this grant.

Application. "Application" means a written request in a form satisfactory to DSBS, supplemented by all requested supporting documents, made by an applicant to DSBS to determine the eligibility of an applicant for a grant.

Business. "Business" means a sole proprietorship, partnership, corporation, or other legal entity involved in the sale of goods or services directly to the public from a physical location in the City.

City. "City" means the City of New York.

DSBS. "DSBS" means the Department of Small Business Services or its successor.

Grant. "Grant" means one or more disbursements from the NYC Small Business COVID Recovery Grant Program to an applicant.

LMI Small Business. "LMI small business" means a small business that physically operates from a census tract determined to be low-to-moderate income by the United States Department of Housing and Urban Development (HUD).

Small Business. "Small business" means a business concern or other organization that: (1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the federal Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and (2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. § 632).

(Added City Record 9/17/2021, eff. 9/17/2021)

§ 17-03 Eligibility Requirements.

Eligible Recipients. To be eligible for a grant, an applicant must satisfy all of the following criteria:

(a) Applicant must operate a small business in which at least 50% of its revenue is generated from activities that are defined by the North American Industry Classification System (NAICS) as part of the Accommodation and Food Services sector, or the Arts, Entertainment, and Recreation sector; or operate an LMI small business.

(b) Applicant must be in operation at the time of submission of the application.

(c) Applicant must demonstrate annual revenue or gross receipts. Documentation may include, but need not be limited to: signed Federal or State tax return(s); State sales tax returns.

(d) Applicant must demonstrate at least a 25% reduction in gross receipts or revenue in either: (1) comparable quarters in 2019 and 2020; or (2) the 12-month calendar year 2019 and the 12-month calendar year 2020.

(e) Applicant must be in substantial compliance with applicable Federal, State, and local laws, rules and other legal requirements.

(f) Applicant must be current or in repayment on all Federal, State or City taxes (including delinquency repayment, prior to December 31, 2019).

(g) Applicant must not have received a grant from any of the following programs: (1) Shuttered Venues Operators Grant Program, or (2) Restaurant Revitalization Fund.

(h) Applicants must follow any additional, detailed application requirements outlined in the application which will be made available online at www.nyc.gov/sbs or by directly contacting DSBS.

(i) Applicant must use the grant to mitigate economic hardships that occurred as a result of the COVID-19 pandemic by using the grant funds to offset operational expenses for the small business that is the basis for the applicant's eligibility for the grant. Examples of appropriate uses for a grant include the following costs: payroll and benefits, mortgage, rent, utilities, and other operating costs.

(Added City Record 9/17/2021, eff. 9/17/2021)

§ 17-04 Selection Criteria.

(a) DSBS will use the following processes & documents to determine whether a business meets the eligibility criteria in 66 RCNY § 17-03. The documentation types listed below are illustrative and not exhaustive.

CATEGORY	DOCUMENTATION TYPE
CATEGORY	DOCUMENTATION TYPE
Applicant is a small business and has no more than 500 employees	Most recent tax return filed and signed Form 1120 – Line 1(a) (Gross receipts or sales), or other comparable tax form; Most recent NY State Tax Form #45
Applicant operates an LMI small business	For businesses in LMI Census tract areas: business address
Applicant operates a business with a North American Industry Classification System (NAICS) code that begins with 71 (Arts, Entertainment, and Recreation) or 72 (Accommodation and Food Services)	Signed attestation

Applicant must demonstrate at least a 25% reduction in gross receipts or revenues	Tax forms, financial statements (P&L), bank statements
Applicant must be in substantial compliance with applicable Federal, State, and local laws, rules, and other legal requirements	Signed attestation
Applicant must be current or in repayment on all Federal, State or City taxes (incl. delinquency repayment, prior to December 31, 2019)	Signed attestation
Applicant did not receive a grant from any of the following programs: (1) Shuttered Venues Operator Grant Program, or (2) Restaurant Revitalization Fund	Signed attestation
Applicant intends to use grant funds to cover operating costs such as payroll, rent or utilities	Signed attestation

(b) *Funding Priority:* Funding will be released in rounds, with all eligible applicants funded in order of prioritization within each round. If there is insufficient funding available for all applicants in a given round, funding will be provided according to prioritization level and on a first-come, first-served basis within each prioritization level, based on the order in which applicants have submitted a complete application.

	First priority: LMI small businesses in any sector with up to \$1M in revenue* OR Non-LMI small businesses in the following sectors: Arts, Recreation, Entertainment, Food Service, or Accommodation with up to \$1M in revenue*	Second priority: LMI small businesses in any sector with between \$1M - \$3M in revenue* OR Non-LMI small businesses in the following sectors: Arts, Recreation, Entertainment, Food Service, or Accommodation with between \$1M-\$3M in revenue*	Third priority: LMI small businesses in any sector with more than \$3M+ in revenue* OR Non-LMI small businesses in the following sectors: Arts, Recreation, Entertainment, Food Service, or Accommodation with more than \$3M+ in revenue*
Round 1	1		
Round 2	1	2	
Round 3	1	2	3

* In calendar year 2019

(Added City Record 9/17/2021, eff. 9/17/2021)

§ 17-05 Award.

Once eligibility has been determined based on an applicant's ability to meet the requirements set forth in 66 RCNY § 17-03, DSBS will provide a fixed grant amount of \$10,000 per eligible applicant, distributed to eligible businesses on the basis of the priorities listed in 66 RCNY § 17-04 and subject to funding appropriations thereof.

(Added City Record 9/17/2021, eff. 9/17/2021)

§ 17-06 Compliance.

Applicants must submit an application and comply with the terms and conditions set forth in the application. Should an applicant fail to comply with the terms and conditions set forth in the application, DSBS reserves the right to recover the full grant amount distributed to the applicant. The applicant must retain documentation sufficient to demonstrate that the grant was used in a manner consistent with the requirement in subdivision i of 66 RCNY § 17-03 and must make such documentation available for inspection by DSBS upon request, consistent with applicable law.

(Added City Record 9/17/2021, eff. 9/17/2021)