



Eligibility

Participant Eligibility:

- Applicants must be a new or existing commercial agriculture enterprise with five or fewer employees, one or more of which may be the principal(s) and own the enterprise at the time of application.
- Applicants must be private for-profit agriculture business entities; corporation, partnership, or sole proprietorship that is legal, licensed and operating.
- Applicants' planned or existing business operations must be located within the boundaries of Montgomery County.
- All applicants must complete a mandatory entrepreneurial training program.
- Applicants must be able to fulfill the 10% owner cash equity contribution.
- Businesses receiving funding must create one new FTE offered to or made available to persons from low-to-moderate-income (LMI) families OR be owned by a person defined as LMI. If owned by more than one individual, a majority of owners must qualify. If more than one FTE is created at least 51% must be LMI.
- Preference given to MWBE status and Veteran status business owners, projects/ businesses that result in job creation and projects/ businesses that offers internships, job-shadowing, or apprenticeship opportunities.

Process to Verify Eligibility:

- All applications will be reviewed by the MCAMP Grant Committee. The Committee includes MCBDC and MCSWCD staff, members of the Montgomery County Legislature, members of the AED Advisory Committee, and members of the Agriculture & farmland Protection Board.
- Applications will be reviewed using a point system to evaluate program and participant eligibility, project feasibility, reasonableness of project costs, job creation, community impact, business owner qualifications and financial standing, business/ owner contribution, and sustainability. Preference will be given to Minority and Women Owned Businesses as well as those with Returning Veteran status.
- Applications will be evaluated, and the MCAMP Committee will review documentation supplied in applications before making a final decision.

Eligible Activities:

Grants are intended as working-capital for equipment, furniture, fixtures, inventory and operation, NOT for construction, reimbursement of existing debt, or purchase of real estate.

Funding

Terms and Conditions

- The Montgomery County Business Development Center will assist Montgomery County Soil & Water in administering and delivery of the program. Anticipated CDBG funding is in the amount of \$200,000. Businesses are expected to average \$15,000 allowing Montgomery County to award an estimated 12 business owners.
- For each grant awarded, at least one FTE job must be created for a low-to-moderate income person, or the business owner must be considered LMI.
- A minimum of 50% of grant funds will be awarded to start-up agriculture businesses. Start-up is defined as an enterprise that has been in business fewer than six months at the time of application.
- The MCAMP Review Committee will have the sole authority to set the grant amount based on the needs of the applicant and availability of funds. Grant funds will range from \$5,000 to \$25,000.

- The minimum grant amount will be \$5,000. Agriculture businesses will be eligible for up to an additional \$20,000 (up to \$25,000 total) for creating one new full-time-equivalent (FTE) job, or being an LMI owner. (If more than one FTE is created at least 51% must be LMI)
- New jobs must start within the two year State grant period.
- The MCAMP Review Committee may award up to 90% of total project costs; cash equity participation from the applicant is required at a minimum rate of 10%.
- Applicants' principal place of business must remain in existence and be located within the boundaries of Montgomery County throughout the term of the MCAMP grant agreement (two years) or the grant recipient(s) will be subject to the full or partial repayment of the grant funding awarded.
- Grant funding will be given on a reimbursable basis with a maximum of up to two drawdown requests permitted.
- Applicants must create the amount of jobs agreed to throughout the MCAMP grant agreement (2 years/December 13, 2019) or the grant recipient(s) will be subject to the full or partial repayment of the grant funding awarded.
- Businesses that cease to exist, relocate to an area outside of Montgomery County, or do not meet their job creation numbers during the term of the grant agreement may be required to repay grant funding based on the established recapture schedule.

Recapture Schedule:

- Default before or within first year of required monitoring - 100% recapture
- Default within second year of required monitoring - 50% recapture
- Default after two year monitoring period - No recapture

Means of Securing Compliance

Upon completion of the underwriting process, completion of the business training requirements, and verification of project scope and costs, candidates will be chosen to participate in the program on a "first come, first serve" basis. A formal agreement between the business and the County/MCSWCD will be executed. Where collateral is available, this agreement will be secured by a means of a mortgage on real estate or a lien in other hard assets. This agreement will constitute the means by which the County/MCSWCD enforces compliance with program requirements. The program will include regular monitoring of each business to ensure that it is making good faith efforts to achieve employment goals and other program objectives. HCR required paperwork and reporting documents will be collected from each business owner.

The following will be used in the underwriting process to ensure that the proposed actives meet the CDBG guidelines for evaluating a project cost and financial requirements:

1. *Reasonable Project Costs:* Equipment purchases and working capital quotes are to be reviewed by the MCAMP Committee and they are to make a determination on whether: cost amounts do not exceed that which would be incurred by a prudent person familiar with the industry; costs decisions are consistent with sound business practices; and that costs are consistent with market prices for similar goods and services.
2. *Committed Financing Sources:* Grant recipients shall provide documentation of the availability of their 10% match verification of a bank account, and the account's good standing.
3. *CDBG Funds Not Substituted:* CDBG funds will not be used to supplement other available financial support resources.
4. *Financial Project Feasibility:* The applicant will provide sufficient business information, and projected use of CDBG funds, in order to ensure a feasible project along with the creation of one LMI job; at a minimum.
5. *Owner Equity Investment:* The owner's 10% equity investment, together with the CDBG grant, shall result in a prudent return of revenue.
6. *CDBG grant Disbursement:* To the extent practicable, CDGB disbursement will be provided in accord with confirmation of proper procurement methods, and executed lien documents as required by the Montgomery County Business Development Center (MCBDC)/ Montgomery County Soil & Water.

Marketing and Supporting Activities

Marketing

Prior to applying to HCR for Microenterprise funds, Montgomery County Business Development Center (MCBDC) and Montgomery County Soil & Water surveyed the interest and need of the business community by discussing the proposed program and reaching out to small agriculture businesses directly. The potential program was also promoted on Social Media, through e-blasts, and via local media channels to solicit interest and inform the public. A public hearing was advertised in the newspaper and was held on June 27, 2017. The agriculture microenterprise program was discussed at the meeting and applications were made available to interested parties. A list of eligible applicants has been created based upon preliminary conversations and submissions of Pre-Screening Applications.

If awarded funding for the program, additional marketing, outreach, and educational forums and materials will be made available to the public.

Supporting Activities

The Montgomery County Agriculture Microenterprise Program (MCAMP) Review Committee includes The Committee includes MCBDC and MCSWCD staff, members of the Montgomery County Legislature, members of the AED Advisory Committee, and members of the Agriculture & farmland Protection Board. This committee brings a variety of skill sets and expertise and includes business owners, financial professionals, elected officials, local farmers, managers, and business executives. The MCBDC, MCSWCD, and Committee members will assist business owners with obtaining counseling support, should such support be needed to increase the likelihood of successful completion. MCBDC has met with the Small Business Administration (SBA) to coordinate entrepreneurial trainings, seminars, and workshops including a "Boots to Business" program for veteran entrepreneurs. The MCAMP program will also utilize SCORE as a resource for business mentorship opportunities. Fulton Montgomery Chamber of Commerce has coordinated the required Entrepreneurial Training Program for all applicants to participate in.

Entrepreneurial Training Requirement

Each microenterprise owner must complete an approved entrepreneurial training program/seminar prior to receiving CDBG Microenterprise grant funds. The training consists of business basics, recordkeeping, accounting, taxes, financing, marketing, advertising, and developing a business plan and will be conducted by the Fulton Montgomery Chamber of Commerce. The Chamber will partner with local business experts to lead the workshops and to help build relationships in the community. Fortunately, many applicants have already submitted pre-applications for MCAMP and are aware of the training requirement. This allows Montgomery County to move the project forward immediately once the funding is received.

Program Objectives and Impact

Program Objectives

The Primary objective of the CDBG program is the development of viable communities by providing housing and a suitable living environment, and expanding economic opportunities principally for persons of low and moderate income (LMI). The Montgomery County Agriculture Microenterprise Program (MCAMP) will meet the program objectives by ensuring that 51% of all jobs created are for LMI individuals and that 50% of the funding is awarded to startup businesses.

The County is estimating that MCAMP will provide assistance to twelve (12) businesses within Montgomery County, six (6) of which will be startup businesses. Twelve preliminary pre-applications have been filled out to date, and while there will not be concrete data for job creation until the grant is awarded and businesses complete full applications with a full review process, it is estimated that MCAMP will create at least eleven (10) jobs. It is anticipated that these numbers will be higher once all applications are received. Since the program requires applicants to either be an LMI business owner or to hire at least one LMI employee, 100% of these projects will benefit the LMI population in the County.

Impact

Program impact is designed to stimulate economic growth and create businesses and jobs that will reduce unemployment and provide an improved quality of life for all of Montgomery County. Once accepted to the program, agriculture business owners will have an array of resources at their fingertips. Workshops, seminars, and mentorship opportunities will be made available through the MCAMP Committee members, MCBDC, MCSWCD, the Small Business Administration, SCORE, and the Chamber of Commerce. A wealth of knowledge in every facet of business ownership is available through the combination and partnerships of these organizations.

Program Oversight and Grant Approvals

Expertise to manage grant fund program

MCBDC has a track record of managing multi-faceted and multi-million dollar projects and feels very confident in fulfilling the goals and objectives of the Microenterprise program. MCBDC has secured millions of dollars for businesses, not-for-profit organizations, and local municipalities through the Consolidated Funding Application Rounds, the State open round funding grants, and through other organizations such as National Grid's Economic Development grant programs.

The MCBDC and MCSWCD staff have administered and managed a wide range of Federal, State, Local, and private grants. Staffs have a great deal of knowledge and experience with all HCR grants and have successfully administered funding and projects through the following programs: Small Business Assistance, Economic Development, Public Infrastructure, Public Facilities, Community Planning, New York Main Street, and CDBG Home. Additionally, MCBDC staff have successfully administered HCR Microenterprise grants in the past, directly illustrating the capability and capacity to manage the Montgomery County Agriculture Microenterprise Program.

Montgomery County along with the Montgomery County Business Development Center (MCBDC) has handled and been awarded countless State, Federal and local grants within the past 5 years. Not only does MCBDC handle all economic development and planning grants for the County, but the County itself is the recipient of grants for many different departments including the County Health Office, Emergency Services, Sheriff's Department, History & Archives, Public Works, etc. To compile a list of that magnitude would take an extensive amount of time.

Resources

MCBDC and MCSWCD will connect participants with mentorship/training as needed through the MCAMP Committee, the Small Business Administration, SCORE, and the Chamber of Commerce.

Approval Process

The MCSWCD will assess the potential microenterprise and determine whether the entrepreneur and project is eligible by measuring risk, determining need, and determining if the proposed assistance is an effective use of the NYS CDBG Microenterprise funds. The MCSWCD, at a minimum, will use the underwriting guidelines to meet the requirements set forth in the 24 CFA 570.482(e) and Appendix A to Part 570 when evaluating potential microenterprises. Evidence of underwriting will be retained in the project files. In addition, there must be clear evidence that job creation will occur and/or that the owner(s) of the microenterprise qualifies as LMI before a grant is awarded.

As stated above, applications will be reviewed using a point system to evaluate program and participant eligibility, project feasibility, reasonableness of project costs, job creation, community impact, business owner qualifications and financial standing, business/owner contribution, and sustainability. Preference will be given to Minority and Women Owned Businesses, as well as those with Veteran status.

Applications will be evaluated, and the MCAMP Committee will review the following before making a final decision:

- Business Plan (if available)
- Copy of Certificate of Incorporation, DBA certificate, partnership filing, or joint venture agreement
- Signed Letter of Agreement
- Personal Financial Statement and/or tax returns for the past two years – signed copies (business and personal)
- Documentation to support use of funds and amount requested (quotes, cost estimates, sales brochure)
- Misc. documents as supplied (marketing materials, references, etc.)