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ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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NJEDA ANNOUNCES $50 MILLION EXPANSION OF GRANT PROGRAM FOR BUSINESSES IMPACTED BY COVID-19

Funding now available for home-based businesses and sole proprietorships; some funds reserved for businesses in low-income communities.

Phase2-grant-(1).png

TRENTON, N.J. (May 22, 2020) – The New Jersey Economic Development Authority (NJEDA) today announced a $50 million expansion of its Small Business Emergency Assistance Grant Program, which provides funding to small businesses facing financial challenges as a result of the COVID-19 pandemic. The expanded program will provide grants up to $10,000 to qualified businesses and relaxes eligibility criteria to include a broader variety of businesses as well as home-based businesses and sole proprietorships. To ensure equity, $15 million will be reserved for businesses in Opportunity Zone-eligible census tracts.

Funding for the expansion of the Grant Program will come from the federal Coronavirus Relief

Fund established under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

“COVID-19 has created an unprecedented crisis for New Jersey’s small businesses. From the start, the NJEDA has worked tirelessly to support business owners and their employees, but it quickly became clear that the scope of the challenges this virus presents went far beyond what we could address with our resources alone,” said NJEDA Chief Executive Officer Tim Sullivan. “This much-needed federal assistance will allow us to support thousands of additional businesses that were not eligible for the first round of grants with a particular focus on firms in the most at-risk communities.”

The outbreak of novel coronavirus has created a major public health crisis in New Jersey. To slow the spread of the virus, Governor Phil Murphy implemented a variety of containment measures, including restrictions on public gatherings and mandated closure of non-essential businesses. To mitigate the economic impacts of these public health policies, the NJEDA created the Small Business Emergency Assistance Grant Program. In addition to the $5 million the NJEDA dedicated to this program, the Casino Reinvestment Development Authority (CRDA) donated $2 million to support businesses in Atlantic County. More than 34,000 businesses applied for funding through the program. As of May 22, 2020, the NJEDA has provided more than $5.5 million in grants to more than 1,600 businesses across all 21 counties.

During Phase 2 of the Grant Program, $5 million will be used to fund businesses that were waitlisted during Phase 1, and $45 million in CARES Act funding will be used to provide grants up to $10,000 to a significantly broader range of businesses than were previously eligible. Those applicants on the oversubscribed list for Phase 1 will be encouraged to apply for the expanded second round program.

“From the very beginning of the pandemic, we have focused on providing small business owners with the financial resources they need to weather the COVID-19 outbreak,” said U.S. Senator Robert Menendez. “Working with the NJEDA to use CARES Act funding to expand the Small Business Emergency Assistance Grant Program will make it possible for a much broader range of small businesses to access the support they need to overcome this unprecedented challenge and prepare for a strong recovery.”

Eligibility changes for Phase 2 increase the employee cap for businesses from 10 full-time employees (FTEs) to 25 FTEs and remove the NAICS code restrictions that were in place for Phase 1 to allow almost all businesses as well as 501(c)(3), 501 (c)(4), and 501(c)(7) nonprofit organizations to qualify for funding. Phase 2 also makes grants available to home-based businesses and sole proprietorships, which were ineligible during Phase 1. To ensure funding goes to businesses and communities that need it most, $15 million of Phase 2 funding will be set aside to support qualified businesses located in one of the 715 census tracts that were eligible to be selected as a New Jersey Opportunity Zone.

“It is becoming increasingly clear that while the coronavirus pandemic is creating tremendous challenges for everyone, it is having a particularly tragic impact on our most at-risk communities

challenges for everyone, it is having a particularly tragic impact on our most at-risk communities.

The NJEDA's Small Business Emergency Assistance Grant Program has been a vital resource for business owners going through extreme hardship, and I am glad to see the Authority making equity a centerpiece of the program's second phase," said Senator Cory Booker. "Setting aside resources for businesses in high-poverty communities will help ensure support goes to those who need it while protecting the most vulnerable New Jerseyans and setting us up for a faster and fairer recovery."

As part of the application, the business's Chief Executive Officer or equivalent officer must certify that the company was in operation on February 15, 2020, has been negatively impacted by the COVID-19 outbreak, and will make a best effort not to furlough or lay off any employees. To comply with duplication of benefits provisions within the Stafford Act, all applicants will also be required to fill out an affidavit identifying all funding previously received related to COVID-19, including Small Business Administration loans and grants, forgivable portions of Payroll Protection loans, and Economic Injury Disaster grants.

"Businesses everywhere are seeking assistance to get back on their feet, but nowhere is the challenge greater than in communities of color. The structure of the NJEDA's approach to this new wave of grants will lead to greater equity and a more consistent recovery across all parts of the state," said African American Chamber of Commerce President and CEO John Harmon.

"The expanded eligibility criteria built into this second round of support from the NJEDA will help to address the disproportionate impact the coronavirus outbreak is having on diverse and small businesses," said Statewide Hispanic Chamber of Commerce Chief Executive Officer Carlos Medina. "We look forward to partnering with the NJEDA to ensure all business owners are aware of available resources and have the support they need to secure much needed capital."

Applications for Phase 2 of the Small Business Emergency Assistance Grant Program will be available soon. NJEDA staff will process the applications on a first-come, first-served basis. There will be no application fee. More information about New Jersey's COVID-19 response is available at https://cv.business.nj.gov.

About the New Jersey Economic Development Authority
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.

To learn more about NJEDA resources for businesses call NJEDA Customer Care at 609-858-6767 or visit https://www.njeda.com and follow @NewJerseyEDA on Facebook, Twitter, and LinkedIn.

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