July 29, 2021 | 12:45 pm

COVID-19 Updates

Unvaccinated individuals are at greater risk of serious illness from COVID-19. Learn more about the COVID-19 vaccines.

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Empire State Development and Homes and Community Renewal Detail More than $100 Million Available Through New York Forward Loan Fund Announced Today By Governor Cuomo

May 23, 2020

Program Will Target Small Businesses Focusing on MWBEs, Non-Profits, and Small Landlords That Did Not Receive Federal COVID-19 Assistance

Nearly 20 Community and Financial Partners Have Committed Resources to Support Restarting New York State's Economy

Empire State Development (ESD) and Homes and Community Renewal (HCR) today detailed the $100 million New York Forward Loan Fund announced today by Governor Cuomo, aimed at providing working capital loans to small businesses focusing on MWBEs, small landlords and non-profit organizations that did not receive funding from the Small Business Administration's Paycheck Protection Program and Economic Injury Disaster Loans. The fund will target those affected by the COVID-19 pandemic, including small businesses and non-profit organizations with 20 or fewer employees, and small landlords who own small multi-family rental portfolios.

Eligible non-profits can apply for a 60-month, no-fee loan at 2% fixed interest; while eligible small businesses and small landlords can apply for a 60-month, no-fee loan with a 3% fixed interest rate. The maximum loan amount is $100,000. Loan funds can be used for working capital including payroll, operating and emergency maintenance, property taxes, utilities, rent and supplies.

Empire State Development Acting Commissioner, and President and CEO-designate Eric Gertler said, “Under Governor Cuomo’s leadership, we will rebuild the New York State economy stronger and smarter in the wake of the COVID-19 pandemic. The New York Forward Loan Fund will support this vision by providing vital financial support to small businesses – the lifeblood of local and regional economies – as well as non-profit groups that did not receive federal aid. Thanks to a strong public-private partnership with banks and foundations from across the State, we are able to help these organizations manage during these difficult times and prepare for the stronger, healthier New York of tomorrow."

New York State Homes and Community Renewal Commissioner RuthAnne Visnauskas said, "Governor Cuomo has been clear that the economic recovery from COVID-19 will require innovative approaches to help businesses and organizations across New York survive. By leveraging the resources of state agencies with private lenders and philanthropy, we have created a loan product specifically tailored to addresses the immediate needs of small businesses, small property owners and non-profit organizations that are facing a significant financial hardship due to this pandemic. At Homes and Community Renewal, we understand the outsized impact the economic downturn is having on renters in New York, but we also realize that small landlords are likewise struggling. Providing owners of small multi-family properties with financial relief is crucial at time when maintaining our housing stock takes on renewed importance.”

The New York Forward Loan Fund works by enabling five Community Development Financial Institutions (CDFIs) to make loans to the target borrowers: Accion East, Community Preservation Corporation, National Development Council, Pursuit, and TruFund Financial Services. New York State is providing first loss capital to support a Special Purpose Vehicle (SPV) that will purchase locally originated loans, with foundations and philanthropies offering the next layer of loss capital. Banks, in the form of senior debt, will lend to the SPV. More than $100 million is expected to be available in the program, with 65% reserved for small businesses, 30% reserved for small landlords, and 5% reserved for nonprofit organizations.

Six banks have pledged support for the New York Forward Loan Fund: Apple Bank, BNB Bank, Evans Bank, M&T Bank, Morgan Stanley and Wells Fargo. Additionally, the fund has received philanthropic commitments from the BlackRock Charitable Fund, Citi Foundation, Ford Foundation, and the Ralph C. Wilson, Jr. Foundation.

New York State is home to nearly 487,000 small businesses that employ fewer than 20 people each, representing 91% of the state's small businesses. Applicants are required to prove they employ 20 or less full-time equivalent employees and have gross revenues of less than $3 million. The New York Forward Loan Fund will emphasize supporting minority- and women-owned businesses, and landlords who own small multi-family properties in low- and moderate-income communities, which have traditionally been underbanked or have difficulty accessing capital.

Landlords of small multi-family properties have been particularly hard-hit in New York, as tenants impacted by the Coronavirus struggle to pay rent. These property owners, who have been excluded from both rounds of the federal Paycheck Protection Program, need access to short term capital to maintain their properties, pay their building and maintenance staff, and cover shortfalls in operating expenses. Stabilizing this housing stock is particularly critical while communities across New York State are required to shelter in place. Small landlords who own buildings with fewer than 50 units represent 72% of the total rental housing stock in New York State, with high concentrations in the outer boroughs of New York City, Long Island and in urban communities throughout each upstate region.

The New York Forward Loan Fund is the latest program from ESD aimed at providing critical assistance to New York’s businesses in response to the COVID-19 crisis. Additional initiatives launched by ESD include $7.5 million in grants to over 70 nonprofit organizations for technical assistance to small businesses, $400,000 in competition grant funding from the New York Manufacturing Extension Partnership to accelerate production of personal protective equipment and respiratory care equipment, and $21 million in loan capital to four Community Development Financial Institutions to support U.S. Small Business Administration Paycheck Protection Program for small dollar loans.

The New York Forward Loan Fund was established with support from Calvert Impact Capital, and the Local Initiatives Support Corporation (LISC) is administering the SPV. Connect2Capital is hosting applications at www.nyloanfund.com (https://protect2.fireeye.com/v1/url?k=4d9148ec-11107a8f-4d93b1d9-000babd9069e-9b913326336a3de2&q=1&e=65c519a9-75d1-42c2-ab57-64be3b59a967&u=http%3A%2F%2Fwww.nyloanfund.com%2F). The application period will open on Tuesday, May 26, and more information is available online at www.esd.ny.gov/nyforwardloans (http://www.esd.ny.gov/nyforwardloans).

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