

**Funding American Rescue Plan Small Business And Economic Recovery For Non-Low And Moderate Income (LMI) Businesses – Department Of Finance**

***WITHDRAWN BY SPONSORS***

Referred to: The American Rescue Plan Act Special Committee (Chairman Criswell and Legislators Corcoran, Levine, Lopez, and Sperry), The Economic Development, Planning, Education, Employment, Arts and Agriculture Committee (Chairman Cahill and Legislators Corcoran, Criswell, Hewitt, Litts, Maloney and Sperry), and The Ways and Means Committee (Chairman Gavaris and Legislators Cahill, Criswell, Roberts, and Ronk)

Chairman of the ARPA Special Committee, Peter J. Criswell, and Deputy Chair Thomas Corcoran, Jr. offer the following:

WHEREAS, this resolution has been submitted at the request of the County Executive on behalf of the Department of Finance; and

WHEREAS, the Ulster County Legislature recognizes that the small business community continues to experience the adverse economic impacts of the COVID-19 pandemic; and

WHEREAS, the Ulster County Legislature passed Resolution No. 29 of 2022 appropriating \$1,000,000.00 to fund Round 2 of the “Ulster County Cares Small Business Assistance Program,” also called “CARES II,” and authorized the County to execute a contract with the Ulster County Economic Development Alliance, Inc. (“UCEDA”) to implement the CARES II Program; and

WHEREAS, it was the Ulster County Legislature’s intent only to fund qualifying Low to Moderate Income (LMI) businesses in the CARES II Program and the program was not intended to fund non-profit organizations; and

WHEREAS, pursuant to Resolution No. 29 of 2022 as amended and adopted a committee was formed to review the applications and as set forth in said resolution the committee was required to be comprised of both County staff and no less than two Ulster County Legislators; and

WHEREAS, UCEDA staff erred in the fall of 2022 in developing programmatic scoring guidelines for awards by incorporating income as one of a number of evaluative criteria in the scoring matrix rather than as a screen for grant eligibility; and

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WHEREAS, the forty-two (42) top scoring applicants, including two non-profit businesses, out of a pool of over 250 applications were awarded small business grants under this program by UCEDA representing Nine Hundred Forty-Seven Thousand Eight Hundred Sixteen and 00/100 (\$967,816.00) Dollars of sub-awardee contracts; and

WHEREAS, forty (40) of the awarded businesses executed contracts with UCEDA for the value of Nine Hundred Forty-Seven Thousand Eight Hundred Sixteen and 00/100 (\$947,816.00) Dollars; and

WHEREAS, upon learning of the incongruity between the legislative intent and the programmatic scoring rubric, the County Executive in conjunction with UCEDA, notified all awarded business of a programmatic “pause” to allow for review and evaluation of the program; and

WHEREAS, upon further review, and with assistance from the Ulster County Comptroller, the Ulster County Executive determined that twenty-one (21) businesses met the program definition of an LMI business and nineteen (19) businesses, including the two non-profit businesses did not meet the LMI program definition; and

WHEREAS, the existing executed contract between the County and UCEDA (County Contract No. 2022-00000303) does not provide for a mechanism to pay non-LMI businesses; and

WHEREAS, the non-eligible businesses were awarded grants by UCEDA and many of said businesses, as per the CARES II Program rules as a cost reimbursement grant, have expended significant sums of money toward their approved projects as well as being contractually obligated for other work items directly related to the scope of work of the awards; and

WHEREAS, notwithstanding their ineligibility under the CARES II Program rules, the non-eligible businesses have nonetheless all documented impacts due to COVID-19 pandemic per their CARES II applications; and

WHEREAS, while such awardees are not reimbursable under the existing contract (No. 2022-00000303), ARP funding can be utilized to reimburse the non-LMI businesses as per their executed subaward agreements; now, therefore, be it

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RESOLVED, that the County shall honor the awards, in their entirety, made to said certain small businesses as part of the CARES II Program that were subsequently deemed non-LMI eligible upon further program review; and, be it further

RESOLVED, the existing contract (No. 2022-00000303) shall be amended to reduce the total contract value, by removing the non-eligible awardee contracts, thus resulting in no financial impact; and, be it further

RESOLVED, Ulster County shall enter into a contract with UCEDA to provide a funding mechanism for the seventeen (17) non-LMI awardees which are not eligible to be reimbursed through the existing contract (No. 2022-00000303),

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

Passed Committee: American Rescue Plan Act on \_\_\_\_\_.

Passed Committee: Economic Development, Planning, Education, Employment, Arts and Agriculture on \_\_\_\_\_.

Passed Committee: Ways and Means on \_\_\_\_\_.

FINANCIAL IMPACT:

\$ 0.00 ADDITIONAL FUNDING – PREVIOUSLY APPROPRIATED ARPA FUNDS