



**Community &
Economic Development**
Advancing the Economy, Image and Quality of Life

**CITY OF HAGERSTOWN
Department of Community & Economic Development**

COVID-19 INFORMATION FOR BUSINESSES

FIND FUNDING GUIDE

Last Updated 03/15/21



The City of Hagerstown Department of Community & Economic Development (DCED) will be updating this “**Find Funding**” **Guide** frequently as information changes and as new information becomes available.

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SCHEDULE A VIRTUAL MEETING

Please contact DCED staff if you would like schedule a meeting or talk through program options.

Rachel Poffenberger, Economic Development Program Assistant,
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TOGETHER WE RISE

The City of Hagerstown Department of Community & Economic Development is a collaborative partner in the **Together We Rise** platform for response, recovery and rebuilding. Businesses are encouraged to also visit the [Together We Rise website](#) for information and resources.



SECTION 1: CITY OF HAGERSTOWN

Main Street Business Stabilization Grant

- Must be in Main Street district to apply
- Deadline to apply is **June 1, 2021**
- Expenses between **January 1, 2021** to **June 1, 2021** are eligible
- Businesses must be in good standing with the City of Hagerstown and the State of Maryland
- Maximum funding amount is \$5,000 per business
- First come, first serve basis

[Learn More](#) and [Apply](#).

Spring Sprouts Grant Program

This grant has typically been awarded in the spring. Application for this year is TBA.

Quick Facts:

- Reconfigured in response to COVID-19. Deadline to apply: 5/22/20.
- Open to for-profit businesses in the City Center Mixed Use Zoning (CC-MU) Zoning District.
- Provides fast grants up to \$750 subject to funding availability.
- Operating expenses eligible.

[Learn More and Apply](#).

All City Incentive Programs

Learn more about all City programs including Invest Hagerstown, Partners in Economic Progress (PEP), the Hagerstown Revolving Loan Fund, the Opportunity Zone Program, the Enterprise Zone Program, and more. [Learn More](#).

SECTION 2: U.S. FEDERAL PROGRAMS

U.S. SMALL BUSINESS ADMINISTRATION

[U.S. Small Business Administration COVID-19 Website](#)

Economic Injury Disaster Loan (EIDL) & Emergency Economic Injury Grants

Economic Injury Disaster Loan (EIDL)

Quick Facts:

- SBA is currently accepting new Economic Injury Disaster Loan (EIDL) applications from all qualified small businesses, including agricultural businesses, and private nonprofit organizations.
- Small business owners and qualified agricultural businesses in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).
- Agricultural businesses with 500 or fewer employees are now eligible as a result of new authority granted by Congress in response to the COVID-19 pandemic.
- Agricultural businesses include those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

- 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 years, no pre-payment penalty or fees
- Use of proceeds must go towards working capital and normal operating expenses

Target EIDL Advance

Quick Facts:

- Advance funds of up to \$10,000 will be available to applicants located in low-income communities who previously received an EIDL Advance for less than \$10,000, or those who applied but received no funds due to lack of available program funding.
- Applicants may qualify if they are
 - Located in a low-income community
 - Can demonstrate more than 30% reduction in revenue
 - Have 300 or fewer employees.
- Please do not submit duplicate COVID-19 EIDL applications. Only prior applicants will be considered for the Targeted EIDL Advance. **SBA will reach out to you if you qualify!**

[Learn More.](#)

[Application Portal.](#)

Resources to help:

[Step by Step Guide to EIDL Application Portal \(Slide Presentation\)](#)

Checking the Status of your Economic Injury Disaster Loan (EIDL) Application

According to the SBA:

- There will not be a system set up to check status of an application.
- The confirmation email with the confirmation number is the only item a business will receive until they hear from back the SBA.
- Response has been taking between 15 -21 days after the business submitted its application.

Paycheck Protection Program (PPP)

First Draw PPP

Quick Facts:

- Currently offering [First Draw PPP](#) Loans for first time program participants
 - Can be used to help fund payroll costs, including benefits, and may also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.
 - Eligibility:
 - Sole proprietors, independent contractors, and self-employed persons
 - Any small business concern that meets SBA's size standards
 - Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500
 - Any business with a NAICS code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
 - **You can apply for a First Draw PPP Loan until March 31, 2021.**

Second Draw PPP

Quick Facts:

- SBA is currently accepting [Second Draw PPP](#) loan applications from participating lenders. [Lender Match](#) can help connect you with a lender. You can also [view all lenders near you on a map](#)
- At least \$25 billion is being set aside for Second Draw PPP Loans to eligible borrowers with a maximum of 10 employees or for loans of \$250,000 or less to eligible borrowers in low or moderate income neighborhoods.
- Can be used to help fund payroll costs, including benefits. Funds can also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.
- For most borrowers, the maximum loan amount of a Second Draw PPP Loan is 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million. For borrowers in the Accommodation and Food Services sector (use NAICS 72 to confirm), the maximum loan amount for a Second Draw PPP Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- Eligibility:
 - Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses
 - Has no more than 300 employees
 - Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020
- **Accepting applications until March 13, 2021.**
- For more PPP FAQ click [here](#).

Weblinks:

[U.S. Treasury Department Overview](#)
[Information Sheet for Borrowers](#)
[Borrower Application](#)
[Frequently Asked Questions](#)
[Find a Lender](#)

Checking the Status of your Paycheck Protection Program (PPP) Application

- Communicate directly with your bank for status updates.

ADDITIONAL SBA PROGRAMS - Ask your SBA Lender about these additional programs:

SBA Express Bridge Loan

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly. [Learn More.](#)

SBA Debt Relief

Debt relief for businesses with current 7(a), 504, and microloans. [Learn More.](#)

U.S. INTERNAL REVENUE SERVICE (IRS)

Recent Law Clarifies and Expands CARES Act Employee Retention Credit

Quick Facts:

- The Internal Revenue Service urges employers to take advantage of the newly-extended employee retention credit, designed to make it easier for businesses that, despite challenges posed by COVID-19, choose to keep their employees on the payroll.
- The Taxpayer Certainty and Disaster Tax Relief Act of 2020, modified and extended the Employee Retention Credit (ERC), for six months through **June 30, 2021**.
- Effective January 1, 2021, employers are eligible if they operate a trade or business during January 1, 2021, through June 30, 2021, and experience either:
 1. A full or partial suspension of the operation of their trade or business during this period because of governmental orders limiting commerce, travel or group meetings due to COVID-19, or
 2. A decline in gross receipts in a calendar quarter in 2021 where the gross receipts of that calendar quarter are less than 80% of the gross receipts in the same calendar quarter in 2019 (to be eligible based on a decline in gross receipts in 2020 the gross receipts were required to be less than 50%).
- As a result of the new legislation, eligible employers can now claim a refundable tax credit against the employer share of Social Security tax equal to 70% of the qualified wages they pay to employees after December 31, 2020, through June 30, 2021. Qualified wages are limited to \$10,000 per employee per calendar quarter in 2021. Thus, the maximum ERC amount available is \$7,000 per employee per calendar quarter, for a total of \$14,000 in 2021.

For more information, see:

- [IRS News Release](#)
- [COVID-19-Related Employee Retention Credits: How to Claim the Employee Retention Credit FAQs](#).

RELIEF Act of 2021

Governor Larry Hogan has introduced the RELIEF Act of 2021, an emergency stimulus and tax relief package that will provide more than \$1 billion for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. [Learn More](#).

Quick Facts:

- **SALES TAX CREDITS FOR SMALL BUSINESSES** - The RELIEF Act makes a \$200 million commitment to supporting small businesses with sales tax credits of up to \$3,000 per month for three months—for a total of up to \$9,000.
 - **UNEMPLOYMENT TAX RELIEF FOR SMALL BUSINESSES** -An employer's 2021 tax rate will be calculated based on their non-pandemic experience by excluding the 2020 fiscal year, and instead by using the last three fiscal years of 2017, 2018, and 2019.
 - **COVID-19 LOAN AND GRANT FORGIVENESS** - The RELIEF Act's loan and grant forgiveness plan would safeguard Maryland business owners against any tax increase triggered by the use of state loan or grant funds.
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SECTION 3: STATE OF MARYLAND PROGRAMS

MARYLAND COMMERCE DEPARTMENT

[Maryland Business Express COVID-19 Website](https://businessexpress.maryland.gov/coronavirus)
businessexpress.maryland.gov/coronavirus

Businesses can ask any question to email: Secretary.Commerce@maryland.gov

[Maryland Business Relief Wizard](#)

The Maryland Business Relief Wizard is a tool that helps connect businesses with resources for which they are eligible. [Learn More.](#)

MARYLAND DEPARTMENT OF LABOR

Work Sharing Unemployment Insurance Program

Work Sharing is a voluntary program that provides an alternative to layoffs. Qualified employers can retain an entire employee group by reducing the group's hours of work by a percentage. Benefits include maintaining an intact work force and avoiding time/expense of rehiring and retraining. Employees receive partial Unemployment Insurance benefits to supplement lost wages. [Learn More.](#)

MARYLAND AGRICULTURAL & RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION (MARBIDCO)

Pandemic Recovery Equipment and Working Capital Loan Fund

Quick Facts:

- Designed to help rural businesses innovate, diversify and exploit emerging market opportunities in response to the pandemic.
- Designed for agricultural and resource-based businesses including: value-added food processing; agri-tourism/rural recreation; timber growing or harvesting; primary/secondary wood processing; environmental/water quality; biomass/energy production; niche market production; aquaculture/fishing/seafood; and others.
- Loan amounts available from 15,000-100,000
- Interest rate with a partnering public sector lender involved, 2.95%, Without a partnering public sector lender involved, 4.25%
- Loan terms - Equipment: 3 to 8 years (with up to 12 months interest-only possible). Term Operating Loan (with up to six months interest-only possible): 1 to 2 years.

[Learn More](#) and [Apply](#).

MARYLAND STATE ARTS COUNCIL (MSAC)

Emergency Grant for Arts Organizations

Quick Facts:

- Funding for Maryland arts organizations, County Arts Agencies, and Arts & Entertainment Districts for losses sustained because of programming, operations, and events that have been modified or cancelled due to the COVID-19.

- MSAC will prioritize grants to organizations that have not received prior funding from MSAC or do not qualify for funding under other MSAC programs.
- Deadline to apply is **April 4, 2021**.

[Learn more](#) and [Apply](#).

SECTION 4 – OTHER FUNDING PROGRAMS

Minority Business Fund Founded by Four Community Banks:

Four banks have collectively committed up to \$1 million in interest-free loans to aid both startup and existing minority-owned small businesses within the sponsoring community bank markets. The bank serving Washington County is the Bank of Charles Town. For details check:

<https://www.mybct.bank/banking-on-diversity/>

SECTION 5 - WEBSITES & ADDITIONAL GUIDANCE DOCUMENTS

Small Business Development Center – Western Region (serving Washington, Allegany & Garrett Counties) – a program of the U.S. Small Business Administration.

Weblinks:

[SBDC Western Region Website](#)

[SBDC Recovery and Sustainability Guide](#)

[SBDC Small Business Survival Guide](#)

[SBDC COVID-19 Request an Appointment/Consulting Services](#)

For Existing Businesses. See “Start Here” near the bottom.

Then [Home Page](#). Then [New Client Sign Up](#)

Hagerstown/Washington County Contact:

(Please use link above to Request an Appointment.)

Herb Melrath, SBDC at Frostburg State University, hjmelrath@frostburg.edu,
100 W. Washington Street, Suite 1401, Hagerstown, MD, 888-237-9007 ext. 4

Maryland Commerce Department

Weblinks:

[Maryland Business Express COVID-19 Website](#)

businessexpress.maryland.gov/coronavirus

Businesses can ask any question to email: Secretary.Commerce@maryland.gov

U.S. Congressman David Trone

Weblinks:

[Congressman Trone COVID-19 Website](#)

- View past webinars and see the newest Coronavirus updates.

[Congressman Trone: Small Business Owners Guide to CARES Act](#)

U.S. Senator Ben Cardin

Weblinks:

[Senator Cardin Coronavirus Resources](#)

U.S. Senator Chris Van Hollen

Weblinks:

[Senator Van Hollen Coronavirus Resources](#)

U.S. Senate Committee on Small Business & Entrepreneurship

Weblinks:

[U.S. Senate Committee on Small Business & Entrepreneurship Website](#)
[Guide to the Cares Act](#)

National Federation of Independent Business (NFIB)

Weblinks:

Find the newest updates [here](#) and view past or upcoming [webinars](#)

Washington County Department of Business Development

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[Staff Contacts](#)