

# Small Business Economic Relief Program (SBERG 1 & 2) Program

UPDATE 12.9.20

## **SBERG1**

**412 TOTAL APPLICATIONS**

**356 TOTAL APPROVED APPLICATIONS**

**\$1,068,000 TOTAL GRANTS AWARDED in SBERG1**

## **SBERG2**

**268 TOTAL APPLICATIONS**

**262 TOTAL APPROVED APPLICATIONS**

### **SBERG2 OPTION 1**

Award based on gross revenue loss when comparing KPB sales tax filings from 2019 to 2020 and averaging the 4th quarter of 2020.

**OPTION 1 new applicants - \$356,837**

**OPTION 1 SBERG1 applicants - \$1,928,819**

**TOTAL - \$2,285,656**

NOTES: 130 applicants requested awards based on loss. The average percentage of loss was 42%. We were able to fully grant eligible award requests up to 29% (subject to change due to 2 pending applications).

We received more financial demand than funds. To serve businesses whose revenue loss was below the average, grant awards were distributed based on a percentage of eligible award, determined by funds remaining in the program once all businesses at and above the average were awarded. Businesses below the 42% threshold who recorded a 30%-20% gross revenue loss received 20% of their eligible award, a 19%-10% loss received 10% of eligible award and a 9%-1% received the standard of either \$4,500 for new applicants or \$1,500 for SBERG1 award recipients.

The City had also set aside an amount of SBERG2 funds to be able to respond to appeals. Funds unallocated after the appeals process, in keeping with the intention of the SBERG2 program, allowed the City of Homer to

work down the list to fund eligible award amounts to the next percentage group on the list ending at 29% (subject to change due to 2 pending applications).

**SBERG2 OPTION 2**

Standard award of \$1,500 for SBERG1 recipients and \$4,500 for new applicants who have suffered loss due to COVID-19.

**OPTION 2 new applicants - \$99,000**

**OPTION 2 SBERG1 applicants - 165,000**

**TOTAL - \$264,000**

**20 APPEALS 7 applicants awarded totaling - \$90,795 (subject to change due to 2 pending applications).**

NOTES: Most appeal applicants requested additional review based on misrepresentation of loss based on the 4th quarter average in the award worksheet. In these cases, if the business did not have a history of 4th quarter earnings, we compared the first three quarters filings from 2019 to 2020, or in some cases, only the 2nd and 3rd quarters. Appeal applicants were on the lower end of the spectrum in terms of percentage of loss and in most cases, recalculations based on actual recorded gross revenue without an averaged 4th quarter only altered the percentage of loss slightly and applicant still remained in their percentage bracket.

**\$2,912,374 TOTAL GRANTS AWARDED in SBERG2**

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Small Business Economic Relief Program awarded  
\$3,980,374 to 403 businesses

With the award of SBERG2 grants, the Kenai Peninsula Borough CARES Act pass through funds have been completely expended.



**City of Homer**

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# CARES Act Economic Relief Grant Programs Update

December 9, 2020

## **Fishermen Economic Relief Grant Program (FERG)**

The FERG program launched Monday, November 9. The application period was open for 21 days. The last day to submit applications was November 29<sup>th</sup>. \$1.3M of Federal CARES Act funds were appropriated to the grant program.

**320** applications were received (**143** paper/**177** online):

- 257 eligible requests were received for a total request amount of **\$1,452,197.85**
- 63 requests denied
  - 32 Did not moor in the Homer Harbor
  - 26 Didn't meet other eligibility requirements
  - 4 Duplicate applications
  - 1 Withdrawn

FERG policy stated that applications would be funded in the order they were received. **205 of the 257 eligible applications were able to be funded for a total of \$1,157,310.61 in relief funds going out to 872 individual recipients.** Many of these recipients will receive multiple payments as they have worked on more than one vessel.

### **Appeals Process**

Approximately \$140,000 of the FERG funds are being temporarily set aside for the appeals process. Any remaining funds at the conclusion of the appeals process will be applied towards remaining eligible applicants based on the date applications were received, with those applying earliest at the top of the list.

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## Mortgage and Rent Relief Grant Program (MARRG)

MARRG launched in early November and is being managed by Alaska Housing Finance Corporation. After looking at the initial number of applications, the deadline was extended from November 29 to December 10, 2020.

As of December 4, 2020, MARRG had 155 applicants. The chart below show the status of those applications as of 12/4. The total paid out was \$47,776.

Status	Number
Attempted Contact	11
In Process	13
In Queue for Call	100
Ineligible	6
Ineligible-Outside	1
Payment(s) Approved - Check(s) Not Yet Issued	9
Payment(s) Issued	12
Unresponsive After Multiple Attempts	3
<b>Grand Total</b>	<b>155</b>

According to Daniel Delfino at AHFC, the application review team is now fully staffed, so the spend rate should start increasing rapidly. The historic conversion rate of applicants is 60-70% so Homer is in good shape to spend down the allocated \$763,200 based on the processing capacity, program design, and likely applicant pool when the system closes on December 10.

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