



**OFFICE OF THE MAYOR
CITY OF COVINGTON**

Joseph U. Meyer
Mayor

Covington City Hall
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**EXECUTIVE ORDER
CITY OF COVINGTON, KENTUCKY**

EXECUTIVE ORDER NO. 2020-EO-11

EMERGENCY DISASTER RENT & MORTGAGE BUSINESS ASSISTANCE PROGRAM

WHEREAS, on March 19, 2020, Mayor Joseph U. Meyer signed Executive Order 2020-EO-01, declaring a state of emergency in the City of Covington due to the outbreak of COVID-19 virus, a public health emergency; and

WHEREAS, applicable Kentucky laws authorize a mayor to exercise emergency powers to efficiently and effectively provide for the health, safety and welfare of citizens; and

WHEREAS, Covington businesses will be impacted financially by the outbreak of COVID-19 virus and associated government directives and orders; and

WHEREAS, the Covington Economic Development Director and his staff recommended implementation of an emergency program where businesses can apply for a City subsidy of up to \$500.00 per month for a duration of four (4) months to assist with rent or mortgage costs to help businesses stay solvent during the current public health emergency and recover more quickly once this emergency passes; and

WHEREAS, Mayor Meyer previously signed Executive Order 2020-EO-04, setting forth the details of an Emergency Disaster Rent & Mortgage Business Assistance Program; and

WHEREAS, Covington Economic Development department staff recommend adoption of revised guidelines to allow additional types of businesses to apply for City economic relief and to specify an appeal process.

NOW and therefore, I, Joseph U. Meyer, pursuant to the authority vested in me as Mayor of the City of Covington, Kentucky by KRS Chapter 39A, KRS 39B, and in furtherance of the declaration set forth in Executive Order 2020-EO-01, hereby order:

1. The implementation of an Emergency Disaster Rent & Mortgage Business Assistance Program to assist Covington businesses with rent and mortgage payments during the COVID-19 virus emergency.
2. The amended document attached hereto and incorporated herein by reference provides the parameters of the Emergency Disaster Rent & Mortgage Business Assistance Program.
3. The total amount of City funds available for Emergency Disaster Rent & Mortgage Business Assistance Program shall not exceed \$200,000.00 and the source of the funds for the program shall be the City's economic development fund.

This Order shall remain in effect until terminated by the issuance of another Executive Order when I determine that a state of emergency no longer exists and the exercise of extraordinary measures are no longer required for the protection of the public health, safety and welfare.

THIS ORDER IS EFFECTIVE APRIL 3, 2020 AND SHALL REMAIN IN EFFECT UNTIL RESCINDED BY EXECUTIVE ORDER.

Signed on this the 3rd day of April, 2020,


Joseph U. Meyer, Mayor

Attest:


Margaret M. Nyhan, City Clerk

4-3-20
Date

Emergency Disaster Rent & Mortgage Business Assistance Program

1. Overview

- a. The Emergency Disaster Rent & Mortgage Business Assistance Program offers financial assistance in the form of reimbursement of up to half of the business's monthly rent or mortgage payment, or \$500.00 per month (whichever is less).
- b. The program is designed to provide rent subsidy or mortgage assistance to Covington businesses experiencing financial challenges as part of the Coronavirus emergency closings in order to retain businesses, jobs, and reduce the risk of commercial vacancies in our community.
- c. Eligibility for assistance is up to four months, or up to \$2,000.
- d. Applications are reviewed on a rolling basis until notified otherwise. All proposals must have the required attachments in order to be considered.
- e. Submission of an application is not a guarantee of funding.

2. Eligibility

- a. Applicant must be an existing commercial enterprise (Applicant must be a corporation, firm, partnership, limited liability company, sole proprietorship, or similar entity) and have an existing occupational license with the City.
- b. Applicants must be classified within the industry sectors of Accommodation & Food Services (NAICS 71) or Retail Trade (NAICS 44-45), or other appropriate sectors as determined by City staff to be: i. consistent with City's adopted Economic Development Strategy, ii. consistent with the City's intent to assist businesses that are most vulnerable to closure during the current health crisis, and iii. Least likely to employ individuals through remote working platforms .
- c. Applicant must have an active, executed multi-year lease or mortgage for its business enterprise, which was effective on or before March 16, 2020.
- d. Businesses must establish, keep and contractually agree to regular, set, operating hours that are equal to or greater than thirty (30) hours per week, unless otherwise ordered to close by legal mandate.
- e. Cannot currently be receiving a rent subsidy incentive with the City of Covington.
- f. Applicant must be working and remain actively working as a client of the Kentucky Small Business Development Center ("KSBDC") Network on contingency planning, a service which creates action plans for small businesses, regardless of the cause, to manage through the difficult times and position the business for future growth.

3. Eligible Costs

- a. The maximum total benefit per business is \$2,000.00. Rent Subsidy offers financial assistance in the form of reimbursement of rent or mortgage payment of up to half of the business's monthly rent or \$500.00 per month (whichever is less).
- b. Eligibility for assistance is up to four months.
- c. A business will be eligible starting April 2020.

- d. After approval, businesses must sign and submit a monthly reimbursement request (attached as an exhibit to their contract) and attach a canceled check for the rent payment to the landlord in order to be reimbursed.

4. Discontinuation of Payment

- a. The program is designed to offer assistance during and immediately following the Coronavirus. Applications will not be accepted after the Mayor executes an order terminating the Emergency declaration. The City of Covington retains the right to discontinue rent incentive payments within 30 days notice.

5. Application process

- a. Applications will be accepted on a rolling basis.
- b. Application and Attachments- Applicants must submit with their application:
 - i. Completed and signed application.
 - ii. A copy of executed commercial lease agreement or mortgage statement.
 - iii. Business's current balance sheet.
 - iv. An email or letter from the KSBDC stating that the applicant is an active client working on contingency planning as part of the coronavirus.
 - v. City of Covington occupational license.
 - vi. Completed W-9.
- c. Application Evaluation Criteria:
 - i. The City has limited funding available. Applicants should demonstrate why their business should receive emergency rent subsidy support. Submission of an application is not a guarantee of funding. City staff will evaluate the strength of an application based on the rating criteria included in Section 6.
- d. Recommendation for Approval or Denial.
 - i. Depending upon funding availability and the strength of individual applicants based on the rating criteria outlined herein, City staff will recommend applicants to the City Manager for final approval. The City Manager is authorized on behalf of the City to execute the program agreements for assistance under this Emergency Disaster Rent Subsidy Assistance Program. The City Manager shall consider the recommendation of staff, and the eligibility and ratings criteria established for the Emergency Disaster Rent Subsidy Assistance Program.
- e. Conflict of Interest:
 - i. Applicants shall ensure a conflict of interest does not exist. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected or appointed official to the City of Covington, and if the applicant: exercises or has exercised any functions or responsibilities with respect to funds for this program, or participates in the decision-making process related to funds for this program, or is in a position to gain inside information with regard to program activities. If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from the City of Covington. Additionally, the prohibitions against

conflicts of interest, gratuities and kickbacks in KRS 45A.455 are specifically incorporated herein.

- f. Agreement
 - i. An executed agreement between the applicant and the City is required in order for the applicant to receive fund disbursements.
 - ii. Among other terms and conditions of the agreement, the applicant will be required to operate the business in accordance with all local, state, and federal ordinances, rules, laws, regulations, and orders.
 - iii. Upon request, an example copy can be sent to the business applicant.
- g. Any applicant whose application is not approved by the City Manager may submit an appeal in writing to the Board of Commissioners c/o City Clerk within thirty (30) days of the decision. The Board of Commissioners shall evaluate the application against the guidelines criteria, and determine whether the action taken by the City Manager should be upheld or overturned.

6. Application Rating Sheet Criteria

- a. Financial documentation (up to 5 points)
 - i. Executed Active Lease or Mortgage
 - ii. Current Balance Sheet
- b. Narrative of Financial Need (up to 10 points)
 - i. Business owner's description about hardship, including impact on business's revenue, hours, employees and suppliers.
 - ii. A description of any efforts to avoid or reduce layoffs of employees
 - iii. Actions currently being done by owners to offset the impact.
 - iv. Any business insurance, emergency bank accounts, or lender/landlord concessions on fees/payments in place to lessen the impact (to understand the current scenario and understand any discussion with lenders/landlords and financial reps).
- c. Working with KSBDC (up to 5 points)

7. Applicant shall submit evidence that it is an active client of KSBDC, including contingency planning and coaching strategies for hard financial times.

8. Authority

The City of Covington, by and through the Mayor, is authorized to implement the Emergency Disaster Rent & Mortgage Business Assistance Program, which is an execution of emergency powers and serves the public purpose of stimulating economic development and providing and preserving job opportunities in response to the Coronavirus pandemic and public health emergency, in accordance with the following:

- i. KRS Chapter 39A, including KRS 39A.100(2)(d);
- ii. KRS Chapter 39B, including 39B.070(6); and
- iii. City of Covington, Office of the Mayor, Executive Order No. 2020-EO-01.