

City of Lewiston Press Statement March 17, 2021

Applications for Both Programs Below Will be Available on the City of Lewiston's Economic Development web page: www.lewistonmaine.gov/economicssupport at noon, Wednesday, March 17, 2021.

At the March 16, 2021, Lewiston City Council meeting, councilors approved a **second release of the Pandemic Emergency Small Business Loan program**. With the COVID19 pandemic continuing to impact business operations and with limited state and federal options, interest in such assistance has grown. Following business feedback about the 2020 Pandemic Emergency Loan program, perceived and actual barriers to the program were identified. As such, the Lewiston City Council approved the second release with the following criteria:

- raising the gross sales cap to \$6 million
- increasing employee limit to 100 FTE
- allowing those with City tax payment plans to apply as long as the delinquent balance to the City does not exceed the loan amount
- removing the priority categories
- rolling application until funds are exhausted or businesses are no longer impacted by the pandemic.

In addition, councilors approved the **Residential Landlord Emergency Forgivable Loan**, as there are very few programs available for landlords who are experiencing losses due to non-payment of rent. For instance, local landlords have expressed concern about paying for water and heating costs without a rent cash flow. Lewiston, like many other communities, are also concerned about foreclosures and abandoned buildings due to lost revenue.

Unlike other businesses that may be able to change their business model to mitigate losses, revenue lost by unpaid rent may never be recouped, and landlords may face additional costs when evicting tenants for reasons other than unpaid rent. To meet this need, staff proposed a forgivable loan program for landlords to be used solely for expenses on the rental property.

The loan amount will be up to \$4,000 and will have a two-year term after which the loan will be forgiven if all conditions are met. If conditions are not met, the landlord will then have one year to pay back the balance of the loan. The rental property will be used as collateral, and the program will use \$48,000 of the remaining funding for the Pandemic Emergency Small Business program.

Conditions to be eligible for loan forgiveness include: code-compliance, rental registration, and willingness to accept General Assistance vouchers. Conditions to be eligible for application include: demonstration of revenue loss due to non-payment of tenant rent, including from rental assistance programs; a property with 2-8 units; a code inspection prior to loan closing; and acceptable credit report. The property may be owner-occupied. Reimbursement of expenses will be retroactive to March 15, 2020, to reflect the beginning of pandemic restrictions.

For further information about the two programs, please contact: Economic Development Specialist Heidi McCarthy at hmcCarthy@lewistonmaine.gov or via 513-3126. ###