



Program: COVID-19 Hospitality Industry Recovery Program (CHIRP)

Legislation: Act 1 of 2021; Section 134-C of the Act of February 5, 2021 P.L. __, No. 1), known as The Fiscal Code

Contact: Wayne Economic Development Corporation, 570-253-5334

CHIRP is established within the Department of Community and Economic Development (DCED) to provide each county a block grant in an amount equal to the population proportion amount. **Wayne County's allocation is \$581,733.00.**

Funding Flow

DCED shall distribute funding to counties on or before **February 28, 2021.**

No later than **March 1, 2021**, each county that receives a block grant shall contract with one or more Certified Economic Development Organizations (CEDO) or Community Development Financial Institution (CDFI) designated to serve that county to award grants. Wayne Economic Development Corporation (WEDCO) is a CEDO as designated by the Pennsylvania Industrial Development Authority.

By **March 15, 2021**, WEDCO shall receive and consider applications on a rolling basis until funding for grants received by the county has been exhausted, or **June 15, 2021**, whichever occurs first.

WEDCO may award grants to eligible applicants in increments of \$5,000, not to exceed \$50,000.

By **July 15, 2021**, WEDCO shall approve or disapprove applications for grants under the program. Upon approving an application, WEDCO shall enter into a grant agreement with the eligible applicant in order to award the grant. The grant agreement shall explain the terms and conditions of the grant, including each applicable law, statute and reporting requirement and may be electronically signed and returned to WEDCO.

Application Process / Forms

WEDCO is currently developing the application packet, which shall be available electronically no later than March 15. Application packets are not available at this time. WEDCO will issue a press release when the application process begins.

Grant Program / Eligibility

The information provided is considered preliminary and may be added to or altered until such time as the application period opens.

Grants may be awarded to eligible applicants for the purpose of alleviating revenue losses and paying eligible operating expenses. The following shall apply:

- A grant awarded to an eligible applicant may not exceed \$50,000.
- A grant may not be awarded to pay for the same eligible operating expenses for which an eligible applicant receives or received payment, reimbursement or loan forgiveness from the Federal Government.

Receipt of a loan or grant issued from the Federal Government or the Commonwealth does not disqualify an applicant from eligibility for a grant under this program.

Eligible Applicants

An eligible applicant or authorized representative of the eligible applicant making application to the program must certify in good faith to each of the following:

- For-profit entity that is not publicly traded
- Have experienced a reduction in revenue:
 - At least a 25% reduction in gross receipts in any calendar quarter of 2020 compared to the same quarter of 2019

- If the applicant was in operation all four quarters of 2019, they may also show a reduction in annual receipts of at least 25% in 2020 compared to 2019; this must be substantiated by annual federal tax forms
 - If not in business during the first or second quarter of 2019, at least a 25% reduction in gross receipts in any calendar quarter of 2020 compared to the third or fourth quarter of 2019
 - If only in business in the fourth quarter of 2019, at least a 25% reduction in gross receipts in any calendar quarter of 2020 compared to the fourth quarter of 2019
 - If not in business in 2019, but was in business on Feb. 15, 2020, at least a 25% reduction in gross receipts during the second, third or fourth quarter of 2020 compared to the first quarter of 2020
- As of Feb. 15, 2020:
 - Operates a business meeting the NAICS designation within the Accommodation subsector (721) or the Food Services and Drinking Places subsector (722) and provided accommodations, food or drink to the public, with or without charge
 - Fewer than 300 FTEs (includes each employee of the eligible applicant regardless of whether the applicant has employees at multiple locations)
 - Maximum tangible net worth of \$15 million
- Eligible operating expenses:
 - Must have been incurred between March 1, 2020, and the submission of the application or June 15, 2021, whichever occurs first
 - For mortgage obligations, the mortgage must have been in force before Feb. 15, 2020 (includes those refinanced or restructured after Feb. 15, 2020)
 - For rent, the lease agreement must have been in force before Feb. 15, 2020 (includes those refinanced or restructured after Feb. 15, 2020)
 - For utility costs, service must have begun before Feb. 15, 2020

Other applicant requirements

- Applicants must certify they:
 - Were in operation on Feb. 15, 2020
 - Paid state and federal income taxes as required
 - Remains in operation and does not intend to permanently cease operations within one year of the application
 - Has had an adverse economic impact due to COVID-19 that makes the award necessary to support ongoing operations
 - Will use the grant to pay for COVID-19-related economic impacts
 - From Jan. 1 to June 30, 2021, has not and will not receive another CHIRP grant
- Applicants must also certify that all information provided is true and accurate

Priority in the awarding of grants shall be given to eligible applicants that:

- Have not received a loan or grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the Federal Government;
- Were subject to closure by the Governor's disaster declaration; or
- Can demonstrate one of the following:
 - A reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019.
 - If the eligible applicant was not in operation during the entire comparison period, but was in operation on February 15, 2020, a monthly average reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to a period beginning after January 1, 2020, and ending before April 1, 2020.