

City of Bay City  
ARPA COVID-19  
2022 SMALL BUSINESS RELIEF GRANT PROGRAM  
  
GUIDELINES

## 1.0 INTRODUCTION

On March 11, 2021, the American Rescue Plan Act (ARPA) Public Law 117-2 was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recover Fund (together, the Fiscal Recover Funds). The Fiscal Recover Funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. Section 603 establishes the funds for metropolitan cities, non-entitlement units of local government, and counties. Section 603 funds may be used to respond to the public health emergency or its negative economic impacts, including assistance to small businesses or aid to impacted industries such as tourism, travel, and hospitality.

The City of Bay City has received \$31,076,578 in ARPA funding and has been directed by City Commission to fund a Small Business Relief Program. At this time, \$300,000 is being allocated from the ARPA funds received to provide grants for the ARPA COVID-19 2022 Small Business Relief Grant Program.

ARPA COVID-19 2022 SMALL BUSINESS RELIEF GRANT PROGRAM- The City of Bay City is launching the ARPA COVID-19 2022 Small Business Relief Grant Program to assist local small businesses recovering from the adverse economic impacts resulting from the COVID-19 pandemic and associated Executive Orders, in particular those most disproportionately impacted by the pandemic. The primary objective of the program is to provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, and mitigate financial hardship resulting from the COVID-19 public health emergency.

Small Business Relief Grants will serve businesses with twenty (20) or less employees at the time of application. Grants provided will be up to \$5,000 per every 10 employees, with a maximum of \$10,000 per business.

## 2.0 PROGRAM REQUIREMENTS

### 2.1 Eligibility and Terms

Eligible businesses may be awarded up to \$10,000 in grant funds through the Relief Program application process.

#### A. Eligibility

- For-profit business located in City of Bay City jurisdictional boundary
- Business employees twenty (20) or less employees, including owner
- Applicant is 51% + majority owner of business
- Owner is 18 years or older
- Owner has or will have a valid SS #, EIN, Business Bank Account
- Owner/Applicant is not currently in bankruptcy
- Owner/Applicant is current with property taxes and City fees, or has a payment plan in place with County and/or City as of January 21, 2022
- Business has or will have active liability insurance within 30 days

- Satisfied deliverables of other City-based funding requests (as applicable)
- Businesses and/or applicant must be current on terms of existing City financial assistance products as of January 21, 2022
- Not have a conflict of interest with the City of Bay City

**B. Terms**

- Maximum request: \$10,000, based on employee count
- Minimum request: \$5,000, based on employee count
- Project report provided to City within 60 days of final fund draw down.

**C. Fees**

Application Fee: **NONE**

**2.2 PROGRAM SERVICE AREA**

Financing under this Program is available to eligible for-profit businesses registered and located within the City of Bay City jurisdictional boundaries. The location of the business will consider the place of business administration and registration and utilities address.

**2.3 FUNDING SOURCE AND REIMBURSEMENT**

The Relief Program is funded through the American Rescue Plan Act (ARPA) Public Law 117-2 to the City of Bay City. As such, these funds have Federal requirements, as described below. **Applications will be accepted from January 10<sup>th</sup> until January 21<sup>st</sup>, 2022 at 5pm.**

Funds will be disbursed by reimbursement to the applicant for documented eligible project expenses or paid directly to third party vendors for invoices. *Every effort will be made to make payments directly to third party vendors, as applicable.* This may include direct payment to a mortgage company, utility company, etc.

**2.4 INELIGIBLE APPLICANTS**

- An ineligible existing business applicant is one that has a physical business location or registration outside of the City of Bay City jurisdictional boundary.
- Nonprofit organizations are not eligible businesses and will not be considered for funding.
- Other ineligible businesses include payday grant businesses, liquor, marijuana, and tobacco stores, pawn shops, firearm or other weapons dealers, adult entertainment, passive real estate investments, and home-based businesses operating without appropriate zoning and/or permits.

**2.5 ELIGIBLE USE OF FUNDS**

The City of Bay City Community Development Department will review the project scope of work submitted in the application. Use of Fiscal Recovery Funds is generally forward looking, and therefore relief grants are for costs not yet incurred by the date the law was passed, March 3, 2021. Grants are restricted to certain eligible costs directly resulting from the negative economic impacts or need to respond to the negative economic impacts of the pandemic as described below:

- Costs to mitigate financial hardships resulting from a decline in revenue, such as payroll, mortgage/rent, utilities, and other operating costs
- Costs to implement COVID-19 prevention or mitigation tactics, such as activities to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs
- Costs for technical assistance, counseling, or other services to assist with business planning needs
- Job training for unemployed individuals

Grants for businesses not in operation prior to March 3, 2020 are limited to the following uses:

- Costs to implement COVID-19 prevention or mitigation tactics, such as activities to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs
- Job training for unemployed individuals
- Costs for technical assistance, counseling, or other services to assist with business planning needs

## 2.6 INELIGIBLE USE OF FUNDS

Funds under this Program may not be used to:

- Costs incurred prior to March 3, 2021.
- Pay off non-business debt, such as personal credit cards for purchases not associated with the business
- Purchase personal expenses such as buying a new family car or making repairs to a participant's home
- Direct financing to political activities or paying off taxes and fines.
- Purchase personal items or support other businesses in which the borrower may have an interest.

## 2.7 APPLICANT CAPACITY

The City must confirm that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the use of relief funds. As such, grant applicants for the Relief Program are required to demonstrate management capacity and ability to successfully operate a business through their applications.

## 2.8 DISPROPORTIONATE IMPACT

As directed in the American Rescue Plan Act (ARPA) Public Law 117-2, priority for relief grants will be given to women, veteran, and minority owned business, those businesses in the tourism, travel, and hospitality industries, and those disproportionately impacted by the economic impacts of the pandemic. The City may use census tract data to assist in determining priority of applicants, as allowed by the American Rescue Plan Act (ARPA) Public Law 117-2.

## 3.0 PROGRAM DETAILS

### 3.1 GENERAL CREDIT REQUIREMENTS

#### A. Outstanding Taxes, Fines and Fees

Outstanding debts from municipal citations and delinquent property taxes do not disqualify applicants, IF proof of formal payment arrangements is provided.

### 3.2 OTHER REQUIREMENTS

Grant Applicants must:

- Not be listed on the Federal Debarred list (SAM Search)
- Provide a valid NAICS code

### 3.3 PROGRAM ADMINISTRATION

The City will:

- Originate Relief Grant funds
- Market the Relief Grant program and promote enrollment dates
- Accept and process applications

- Complete Income Eligibility qualification and document number of employees
- Collect third party documentation from applicant of job loss/business closure (if not for the grant assistance)
- Review and underwrite application requests
- Ensure timely disbursement of funds
- Maintain agreement documents and fiscal records
- Ensure compliance with program guidelines as they relate to the funding source
- Provide City Commission and relevant committees regular and timely program updates

Bay Future, Inc. and the Bay County Chamber of Commerce, will:

- Market the Relief Grant program and promote enrollment dates
- Refer qualifying businesses to the City for application

### **3.4 GRANT TERMS AND CONDITIONS**

Financial assistance from the program is designed to assist local small businesses recovering from the adverse economic impacts resulting from the COVID-19 pandemic and associated Executive Orders, in particular those most disproportionately impacted by the pandemic.

Terms and conditions are determined by material submitted in the application

- Grant – the funding is in the form of a grant. Business must be able to provide evidence to support the proposed project. For example, a substantial loss of revenue must be supported with documentation from 2019 revenues (i.e. tax documents).
- Allow City to collect certain income and demographic data from applicants and their employees.
- Allow the City to collect 3<sup>rd</sup> party documentation such as financial information that demonstrates financial hardship due to the COVID-19 pandemic and payees for debts, such as mortgage and utility companies.
- Amount – up to \$5,000 of grant funds for businesses with up to 10 employees, and a maximum grant award of \$10,000 for businesses with 11 to 20 employees.
- Grants will be scored according to the scoring matrix in Appendix A. Information regarding Qualified Census Tracts is in Appendix D. A business outside these tracts is not considered ineligible. This is only used for the scoring process.
- Non-refundable Application Fee – Application fee waived at this time.

## **4.0 PROGRAM OPERATIONS AND GRANT PROCESSING**

### **4.1 PROGRAM MARKETING AND OUTREACH**

Program marketing will be conducted by the City of Bay City, Bay Future, Inc., and Bay County Chamber of Commerce and will affirmatively target women, veteran, and minority-owned enterprises and those disproportionately impacted by the COVID-19 pandemic. Examples of marketing include media coverage on social media and emails to business network organizations.

### **4.2 EQUAL OPPORTUNITY COMPLIANCE**

The Relief Grant Program will be implemented in ways consistent with the City’s commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with ARPA program funds on the basis of his or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

#### **4.3 APPLICANT CONFIDENTIALITY**

All personal and business financial information will be kept confidential to the extent permitted by law. Emergency Fund participant files with personal and business confidential information will be kept in locked, secured storage areas. Documents in the City of Bay City's possession may be subject to disclosure under the Michigan Freedom of Information Act (FOIA).

Accordingly, the City of Bay City cannot guarantee the confidentiality of an applicant's or grant recipient's submissions. The City of Bay City specifically does not warrant that any documents submitted in connection with the grant application, or the grant agreement are exempt from disclosure under FOIA. Applicants and grant recipients should clearly mark such information as proprietary and confidential. Applicant and grant recipient data will not be sold.

#### **4.4 DISPUTE RESOLUTION/APEALS PROCEDURE**

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director of Community Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the City's Small Business Relief Grant Program Guidelines, the applicant's application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

#### **4.5 EXCEPTIONS / SPECIAL CIRCUMSTANCES**

The City, however, reserves the right, at its sole discretion, to deviate from City-imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines. The City will not, under any circumstances, deviate from rules outlined within the American Rescue Plan Act (ARPA) Public Law 117-2.

#### **4.6 APPLICATION REVIEW**

Applications to the Relief Grant Program are presented by business owners/agents to City staff. Staff will review the applications and score them according to the scoring criteria. Top scoring applications will be recommended for approval, until all funding is exhausted. City staff will provide regular and timely updates with business names and recommended amounts to the Community Development Director.

Contracts for approved grant applications will be drafted by City staff and circulated for signatures to:

- Applicant
- Community Development Director
- City Mayor and Clerk

#### **4.7 GRANT AWARD PROCESS**

Upon successful completion of application process, City staff will prepare award contracts for those applicants chosen to receive funds. Funds may be disbursed for reimbursement to the borrower for documented eligible project expenses or may be paid directly to third party vendors for invoices. Each

awardee will be consulted individually on their project to assess their critical needs and process to execute the project activities.

**IMPORTANT NOTE: Any grant award may be considered taxable income and you may receive a 1099 for the funds at the end of this tax reporting year. Each business should consult with its tax professionals to determine whether the grant award is considered taxable income. Each grant recipient will be required to provide the City with a current W-9. Additionally, any grant recipient found to be in violation of the Duplication of Benefits requirement or found to have expended grant funds on ineligible expenses will be required to repay all grant funding awarded by this program.**

If there are not sufficient eligible applicants to expend \$300,000, the City reserves the right to conduct a subsequent grant cycle.

*The information contained herein is subject to the actual grant agreement and the written terms and conditions contained therein, as the same may be amended from time to time. The City of Bay City also reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion deem appropriate.*

**APPENDIX A  
ARPA COVID-19 2022 SMALL BUSINESS RELIEF GRANT PROGRAM  
SCORING MATRIX**

*If the purposed project meets all eligibility criteria, reviewers will utilize the following project scoring criteria to evaluate the purposed project for the purposes of making funding recommendations. Scoring will help determine priority of project application versus other projects competing for grant funds. The highest scoring projects will be recommended for funding.*

*This table is provided as a reference only and will be filled out by program staff.*

	Points Possible
<b>ARPA PRIORITY INFORMATION</b>	<b>UP TO 60</b>
Women Owned, Veteran Owned, Minority Owned Business	15
Business is Located in a Qualified Census Tract	15
Business Industry is Travel, Tourism, or Hospitality	15
Business shows Disproportionate Impact	15
<b>ARPA PRIORITY INFORMATION TOTAL POINTS</b>	<b>60</b>
<b>COMMUNITY IMPACT</b>	<b>UP TO 20</b>
Business is Unique to Bay City and Enhances Sense of Place	10
Business is not a Franchise	10
<b>COMMUNITY IMPACT TOTAL POINTS</b>	<b>20</b>
<b>FINANCIAL IMPACT</b>	<b>UP TO 20</b>
Business Showed Growth and Good Fiscal Management Through a Year over Year Increase in Revenue Prior to March 1, 2020	20
<b>TOTAL FINANCIAL IMPACT POINTS</b>	<b>20</b>
<b>TOTAL POINTS</b>	<b>100 points</b>

## APPENDIX B HELPFUL LINKS

Federal EIN –

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

NAICS code-

<https://www.naics.com/search/>

**APPENDIX C**  
**COMMISSION RESOLUTION AUTHORIZING PROGRAM**

December 20, 2021

Of Commission as a Whole:

**Whereas**, the American Rescue Plan was approved by the United States Federal Government on March 11, 2021; and

**Whereas**, the City of Bay City received \$31,076,578 to respond to negative COVID-19 economic impacts; and

**Whereas**, over the past few months, the City Commission has received proposals from leaders and non-profits in our community regarding the use of the ARPA funds; and

**Whereas**, there is an immediate need for small business grant funding to assist the struggling businesses in our City; and

**Whereas**, the American Rescue Plan Act of 2021 allows the City to utilize the funds for small business assistance as follows:

Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;

Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and

Technical assistance, counseling, or other services to assist with business planning needs.

**Now Therefore Be It Resolved** that the City of Bay City will fund a \$300,000 grant program to support small business that continue to be impacted by COVID-19; and

**Be It Further Resolved** that the City of Bay City Economic Development staff will administer such program, along with the assistance of the Fiscal Services Director.

**Be It Further Resolved** the City will work with the Bay Area Chamber of Commerce and Bay Future to identify businesses that could utilize the grant funds from the program.

APPENDIX D  
QUALIFIED CENSUS TRACTS

