



CITY OF SPRINGFIELD, MASSACHUSETTS

Mayor Domenic J. Sarno

PRIME THE PUMP, ROUND THREE
Small Business Grant
APPLICATION GUIDELINES

Community Development Block Grant (CDBG)
Notice of Funding Availability (NOFA)

Emergency Economic Development
Area Benefit – Direct Assistance to For Profits

Applications may only be submitted electronically at:

Anthony Moore
City of Springfield
Office of Planning & Economic Development
E-mail: amoore@springfieldcityhall.com

Applications due July 1, 2020 by 3:00 PM

Introduction

The necessary public health emergency orders that have been issued to combat the Coronavirus and their negative economic impact upon Springfield's small businesses community have presented an unprecedented urgent need, which the City of Springfield must respond to swiftly and decisively by immediately investing directly in our most vulnerable small businesses and doing everything possible we can to keep them operational if possible under the existing orders or sustainable so that they can ultimately reopen when these orders are lifted.

Our initial response was to utilize CDBG funding for a restaurant grant program that was released in March, for a total amount of \$222,000, followed by an additional \$500,000 of grant funds dedicated to businesses of all kinds that were impacted. Those grants are in the process of being awarded and disbursed.

The City of Springfield is now taking an additional step of assigning of up to \$500,000 of Covid-19 CDBG funding for a similar program of small business grants, now available through this application to businesses impacted by the necessary closures.

CDBG Background

The United States Department of Housing and Urban Development (HUD) established Community Development Block Grants in 1974. The primary purpose of these grants is providing communities resources to address a wide range of community and economic development services and activities that are advocated for by the respective community.

CDBG Requirement

When using CDBG funds this activity must:

1. Meet a National Objective
2. Fall into an Eligible Program Category
3. Provide Benefits to Low – Moderate Income Persons
4. Provide assistance to a **For-Profit business**

Focus of this NOFA

1. Economic Development: Direct Financial Assistance to **For-Profit Businesses**

Eligible Businesses to Apply

1. Small businesses located in the City of Springfield that have been negatively impacted by the necessary closure orders due to Covid-19.

Ineligible Businesses

1. Businesses/Owners that have already been awarded \$15,000 funding in the first round of the Prime The Pump grant program. Those that have been awarded less than that may request the difference in this round. No business and/or individual owner can receive greater than \$15,000 total.
2. Any national chain business (unless franchise is locally owned).
3. Businesses that are delinquent on taxes, fines, fees or loan payments.
4. Businesses that have numerous code violations issued by the City of Springfield
5. Businesses that have been deemed a public nuisance by the City of Springfield based upon numerous police complaints, code violations, etc.
6. The following types of businesses are **not** eligible for assistance with CDBG funds: adult entertainment, check cashing facilities, gambling facilities, gun shops, liquor stores, massage parlors, marijuana production or distribution businesses, pawn shops, professional sports teams, tanning salons, or tattoo parlors.

Funding Information & Requirements

1. These funds will be structured as a grant, with no repayment required if the business does not default on any contractual terms.
2. Businesses may request up to \$15,000 per business.
3. Funds may be used for rent, utilities, inventory, debt service payments and payroll expenses.
4. Funds may be used to pay business expenses made from the period of March 1, 2020 – September 30, 2020.
5. Information provided in this application should be able to be documented and evidenced upon request. Should an applicant offer false information it will be immediately disqualified.

Funding Priorities

1. LMI Job Creation / Retention
2. Assist businesses that were required to be closed or limited capacity, and are now in reopening phases. We encourage businesses that need to make necessary safety improvements to their business due to Covid-19 to consider applying.
3. This is a creation/retention program, therefore the use of grant funds will be utilized to assist in the creation and/or retention of a Low/Moderate Income (LMI) job. Applicant will be required to document information regarding the creation and/or retention of one (1) or more LMI job (Single person household income range of: \$18,650 - \$49,700) unless the job can be presumed to be LMI according to HUD guidelines.

Review Process and Scoring

Applications will be scored and ranked based on the following:

Scoring Criteria	Point Value
Is the business: minority owned, woman owned, minority-woman owned, or veteran owned?	20 Points
Was the business fully closed from March 24, 2020 to June 8, 2020 with no revenue?	20 points (10 points for open with reduced revenue)
Do the businesses employees consist of 50% or greater Springfield residents?	10 points
Has the business not received any other Covid-19 grant funding from this or any other program?	10 points
Does the business plan to utilize any of the funding for Covid-19 related improvements?	10 points
Was sales revenue in 2019 less than \$500,000?	10 points
Is the business in a CDBG Eligible Area?	10 points
Is the business owner (or at least one if owned by multiple parties) a Springfield resident?	5 points
Has the business been operating for five years or more?	5 points

Submission Requirements

- Notice of Funding Availability and application issued June 17, 2020
- Applications due no later than **July 1, 2020 by 3:00 PM**. Applications received after this time will not be considered.
- Applications and contract documents will only be received by email.
- Please **only** submit the Application Form provided, and return via email preferably in PDF format. **Do not** provide letters, photos, or other materials.
- Any changes or addendums to this document will be posted on the City of Springfield website.
- Only applications that are fully complete and arrive prior to the deadline will be scored.

Grant contracting

- Each awardee will be provided five days to complete necessary contract paperwork. Awardees that are non-responsive to city staff and do not return necessary paperwork will risk forfeiture of award.
- Each awardee will need to document compliance with insurance requirements – proof of general liability insurance and workers compensation.
- Each awardee will be screened for any back arrears to the city – owed taxes, fines, fees, or small business loan payments. This includes parking fines and code enforcement fines. Businesses with outstanding funds owed to the city are encouraged to address them **prior to submitting a grant application.**
- Each awardee will need to document the creation/retention of a minimum of 1 full-time employee of 40 hours per week (or combination of part time employees that add up to 40 hours per week).
- After grant contract is signed and all supporting documents are complete, a check for **50% of the awarded amount** is processed for the business. Once the business has provided approved documentation detailing the first half of spending, the remaining 50% of the award is released.