

City of Scranton
American Rescue Plan Act

Notice of Funding: Small Business Façade Improvement Grant Program
Guideline

Expenditure Category 2.31 “Rehabilitation of Commercial Properties or Other Improvements” for Impacted and Disproportionately Impacted Small Businesses

BACKGROUND AND GENERAL INFORMATION

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion Fiscal Recovery Funds package is intended to combat the COVID-19 pandemic, including public health and economic impacts. The City of Scranton has received a total of \$68.746M to respond to the COVID-19 public health emergency and its economic impacts.

The mission of the city’s specific ARPA program is to give people access to resources, rebuild the infrastructure systems that impact their everyday lives, and foster real equitable wealth generation that targets the needs of Scranton residents. This mission statement is also accompanied by six (6) guiding principles:

1. **Recovery:** Use funds to equitably guide residents, businesses, nonprofits & local government out of the economic downturn and onto a path of financial recovery
2. **Response:** Enhance city health & emergency response capabilities
3. **Alignment:** Integrate ARPA Funds with ACT 47 Exit Plan Goals, long-term financial and tax strategies, & comprehensive economic development planning
4. **Sustainability:** Avoid one-time items and programs that incur unsustainable operational, maintenance, or other long-term legacy costs
5. **Leverage:** Tackle large infrastructure needs for a safer, healthier city
6. **Transparency:** Accountability, communication, collaboration

Scranton City Council approved ARPA funding to be made available as grants to community organizations, nonprofits, and small business that have faced economic hardship resulting from or exacerbated by the public health emergency. Below is a summary of the award funding, as well as eligibility requirements.

DEFINITION OF ECONOMICALLY DISADVANTAGED

In accordance with the City’s mission to offer equitable recovery and investment resources to the community, grant applications for subrecipient awards will be reviewed and prioritized based on the target populations the beneficiary or its program will serve. Higher prioritization and consideration will be given to those applications that serve the economically disadvantaged populations within the city.

According to a recent median household income study by race/ethnicity, it was found that the median income for Black or African American and Hispanic or Latino households is lower than the White and Asian households located in the city. Programs and applicants that intend to serve these lower income communities will be given more consideration for funding than those that do not.

DEFINITIONS OF IMPACTED AND DISPROPORTIONATELY IMPACTED

An impacted small business is a business that both meets the definition of “small business” as defined by the City below and can demonstrate a negative economic impact directly related to COVID-19. A disproportionately impacted small business is a business that both meets the definition of “small business” as defined by the City and is located within a Qualified Census Tract (QCT) area within the City. For this Façade improvement Program, only applicants that qualify as disproportionately impacted (located within a QCT Area) will be given consideration for funding.



Façade Grant Program:

In accordance with the Scranton ARPA mission, the city is seeking applications for Façade Improvement funding for disproportionately impacted small businesses. The city will partner with local non-profits; Scranton Tomorrow, NeighborWorks and United Neighborhood Centers of NEPA to administer this program. Funding may be applied for and used to improve storefronts and facades including major maintenance, repair, rehabilitation, preservation, and restoration activities per the outlined eligible uses below. The City’s ARPA mission is to provide an incentive for private investment in exterior property improvements to small business commercial buildings located within the city limits. Awards are available up to \$10,000 with a 25% match required by applicants. In instances where multiple eligible small business owners share the same façade, it is encouraged that small business owners submit a joint application for upgrades to the shared façade. Joint applications that involve upgrades to the same façade, but different small business storefronts will be eligible for an award up to 20,000, with the same 25% match required by the pooled group of applicants.

REQUIRED DOCUMENTATION

Below is a list of required documentation for award applications. Examples of documents that are required for small businesses to provide include:

- Proof of Address or Business Startup Location to confirm location within a QCT area (*e.g. utility bill, lease agreement, mortgage statement, etc.*)
- Federal Tax Identification Number
- Current copy of IRS W-9 Tax Form
- Copy of Tax Returns 2020, and 2021
- M/W/DBE certifications (*if available*)
- Articles of Incorporation
- List of monetary and/or in-kind donations from the City of Scranton (*if applicable*)
- Disclosure statement if Owner(s) hold greater than a 10% interest in the company/organization
- Completed budget worksheet for Façade Improvement Project

- If an applicant intends to utilize Alternate Federal or State funding to assist with the same costs, the applicant will be required to complete a duplication of benefit worksheet as well identifying the budget, sources, and uses of all funding associated with these costs for review by the City

ELIGIBILITY REQUIREMENTS

The City's ARPA grant programs are designed to support residents, organizations, programs, and activities that benefit City of Scranton residents and community. Per the Final Rule, the U.S. Treasury recognizes small businesses located within a QCT area as disproportionately impacted and eligible to receive funding. Below are general eligibility requirements that all eligible small business applicants must meet:

- Must qualify as a small business – The City of Scranton has defined a small business as business with 50 or fewer full-time and/or part-time employees

Must be physically located in the City of Scranton

- Must have an address located within a QCT area per the map provided in the grant application
- Be in good standing and registered with the City Single Tax Office as well as current with local taxes and trash fees
- Must have no current unpaid code enforcement liens or violations of any state, federal or local laws
- Must be current on all taxes including payroll, sales, unemployment, property, State, and Federal
- No owners have been convicted of financial crimes withing the past three (3) years
- If applicable, façade plans must seek approval of the HARB Historical Architecture Review Board
- Applicants are required to meet all codes and ordinances of the City of Scranton. Applicants are also required to secure any necessary permit(s) from the City of Scranton before work may commence. There will be no reimbursement if code or ordinance violations exist.
- The project must use a contractor; licensed in the City of Scranton.
- Provide proof of insurance to the satisfaction of the City prior to the receipt of any funding.
- During the period beginning on September 20, 2022 – September 20, 2023, the applicant has not received alternate Federal grant funding to cover these same costs or uses.

ELIGIBLE ACTIVITIES

- Brick and Stone Masonry: Structural repairs, cleaning, re-pointing and painting
- Architectural Metals: Repair, cleaning, refinishing, painting, duplication, and restoration of exterior building components.
- Doors and Upper Story Windows: Maintenance, repairs, replacement and restoration of window sash, exterior doors, and installation of storm windows in conjunction with other significant façade improvements.
- Exterior Woodwork: Maintenance, repair, rehabilitation, and restoration of sills, window and door frames, bulk heads, storefront and roof cornices, window hoods, and decorative moldings.
- Repair of unsafe sidewalks
- Storefronts: Removal of inappropriate coverings and additions, maintenance, repair, rehabilitation, and restoration of display and transom windows and lighting.

- Signage: Maintenance, repair, removal, and replacement in connection with real property improvements.
- Exterior Painting: Surface preparation, painting, and cleaning.
- Awnings: Installation, repair, and maintenance of fabric awnings, in connection with real property improvements.
- Exterior Lighting: External lighting fixtures, both for signage and building lighting.
- Various exterior improvements deemed acceptable by the design committee.
- **Ineligible** activities are Landscaping, new fences, retaining walls, site improvements, paving, parking lots, roofs.

INELIGIBLE COSTS

- Contributions to rainy day funds, financial reserves, or similar funds.
- Payment of interest or principal on outstanding debt instruments.
- Inherently religious activities, such as worship, religious instruction, or proselytization and/or those that promote or inhibit religious interest.
- Lobbying, support of candidates for public office, or other political activities.
- Funding for programs or organizations that do not serve City of Scranton residents.
- Project related costs incurred outside of the period beginning September 20, 2022 – September 20, 2023.
- Expenses reimbursed or eligible for reimbursement through any other contract or agreement with the City, including but not limited to City Small Business Assistance previously administered or CARES Act funding

Terms of Grant Award

- Façade grants may not exceed \$10,000 and must be matched by a contribution of 25% by the applicant.
 - Note: In instances where multiple eligible small business owners share the same façade, it is encouraged that small business owners submit a joint application for upgrades to the shared façade. Joint applications that involve upgrades to the same façade, but different small business storefronts will be eligible for an award up to 20,000, with the same 25% match required by the pooled group of applicants.
- Grants are made on a cost reimbursement basis following the process of application, design review, approval, and finished construction.
- All work must be completed within 180 days from time of grant award.
- Funding is contingent upon all applicable permits, verification of local, state, and federal paid taxes, contractor licenses and fulfillment of all eligibility standards.
- No project funds shall be used to pay the salary, travel, or overhead expenses of any applicant.
- Procurement and contracts with any and all professional service providers and contractors associated with the work must comply with Federal requirements as defined in 2 CFR 200, Treasury's uniform guidance for Federal Awards

APPLICATION PROCESS

The City of Scranton ARPA grant program applications will be available through the City's nonprofit partners Scranton Tomorrow, NeighborWorks, and United Neighborhood Centers of NEPA from September 20, 2022 to September 20, 2023. Late submissions will not be accepted.

The application packet must include the information listed below.

- Completed Application
- Completed List of all required documents

City and ARPA advisory staff are available to answer questions about the application requirements, eligible activities, or the funding process once the application is posted through the deadline. Please contact Christopher Hughes at chughes@scrantonpa.gov with questions.

APPLICATION REVIEW PROCESS

The Design Committee will review grant applications for completeness and eligibility. Applicants may be asked to revise proposals or provide additional information.

Complete and eligible applications will then be reviewed by a review panel.

APPLICATION REVIEW CRITERIA

- The selection of façade grant recipients is based on project merit. Only certain exterior improvements are eligible. The grant cannot be used to pay for work that is currently in progress or has been already completed.
- Projects will be evaluated in terms of quality, design compatibility, and level of visual impact.
- Small business that can demonstrate service to economically disadvantaged groups within the City as defined above may be given higher priority
- Applicants that submit comprehensive, clear and realistic project budget submissions may be given higher priority
- Small business that are certified as Minority Owned, Women Owned, Veteran Owned, or Disadvantaged may be given higher priority

AFFIDAVIT, WAIVER, AND RELEASE FORM

All nonprofit, governmental and business organizations offered a grant who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct and can be used as admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

AGREEMENT REQUIREMENT & MONITORING

Grant awards will be made in the form of an agreement executed between the applicant and the Nonprofit administering the funding. The grant period, scope, allowable budget, and reporting requirements will be outlined in a grant agreement between the applicant organization and the administering organization. All awarded funds for facade improvements must be fully under contract by

September 30, 2024 and must be expended no later than September 30, 2026. Failure to comply with this requirement may result in disqualification from future grant cycles. Additional information may be required at the City's discretion, based on the usage of funds.

EXIT REPORT

An Exit Report will be required at the end of each grant agreement. Awardees must submit the Exit Report to the Office of Community Development by December 31, 2026. Failure to submit an Exit Report may result in disqualification from future grant cycles.

PROGRAM CONTACT

Please contact Christopher Hughes with all inquiries regarding the City of Scranton American Rescue Plan Act Grant Program Application via email at chughes@scrantonpa.gov.