



City of Newcastle Relief and Recovery Grant Program for Local Small Businesses and Nonprofit Organizations

The COVID 19 pandemic caused severe, intertwined public health and economic crises. In March, 2021, the Federal American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. Building on the relatively rapid response and assistance starting in 2020 of the previous CARES Act, ARPA's SLFRF funds are currently available and intended to be distributed with flexibility and effectiveness to further respond to urgent community needs.

Through the State of Washington, the City of Newcastle is a recipient of local agency relief SLFRF funds, which as of mid-2022 have been fully received. In late 2022, the City finalized policy direction, adopted an Implementation Action Plan (IAP), and finalized a budget and amendments for appropriations. The City's approved IAP and current 2023 budget includes using a portion of these relief funds for an internally administered program awarding local grants (**program totaling \$400,000**) directly to eligible, impacted small businesses and nonprofit organizations in the community.

Grant Funding Purpose Small businesses and nonprofit organizations in the community are vital to the sustainability of the local economy and have suffered significant and threatening economic loss due to the pandemic. The purpose of the City's grant program is to respond to the negative economic impacts caused by the COVID 19 public health emergency. Any grant funds awarded as part of this relief and recovery program for Newcastle's eligible small businesses and nonprofit organizations may only be used to respond to negative economic impacts experienced from March 3, 2021 through December 31, 2024 and caused by the COVID-19 pandemic public health and economic crises.

Application and Deadline To directly implement the relief and recovery grant program, the City's Community Development Department prepared a required, fill-in application form (two pages/double sided, attached to this memo) and set an application deadline of **Monday, March 20, 2023, at 5pm**. For review and award, all applications from eligible local small businesses and nonprofits seeking grant funds shall be received by the City prior to this deadline. Applicants awarded grant funding will be directly notified and City staff will further coordinate distribution and confirm receipt of funds.

Grant Reporting Requirements The compliance and reporting responsibilities of ARPA require the City, as a non-entitlement unit (NEU) "recipient" of SLFRF, to perform periodic verification reporting. A narrative report (completed by the City), potentially including all associated program documents, will be submitted as required upon the completion of the grant project. The report will provide a full description of how the grant funds were used to benefit the recipients in their relief and recovery efforts. Information included on the application may assist in this reporting effort.

Additionally, the Washington State Public Records Act, codified in Chapter 42.56 RCW, requires that all public records used and maintained by state and local agencies be made available to all members of the public, with very narrow statutory exemptions. Submitted applications would be considered a public record, along with any supporting materials voluntarily submitted in support of the grant request.

Eligibility Criteria Small businesses and nonprofit organizations located within the city limit of the City of Newcastle are eligible to apply for grant funding under this local relief and recovery program. Only small businesses and nonprofits that experienced direct negative economic impacts due to the public health emergency caused by the COVID 19 public health emergency are eligible for awarding of grant funds. The small business or nonprofit applicant shall:

- Exist as an active/current small business or nonprofit, in the City of Newcastle, that is owned and operated independently from all other businesses and do not intend to close;
- Demonstrate an establishment date prior to March 3, 2021 and an active operational status during the March 3, 2021 through December 31, 2024 ARPA impact period;
- Self-attest/certify to experiencing a direct negative economic impact(s) due to the public health emergency caused by the COVID 19 pandemic and be in need of relief and recovery funds;
- Have a current WA State and local City business license, including an active Unique Business Identifier (UBI) number, and not be in violation of any codes or regulations;
- Have fifty (50) or fewer employees;
- Be a small business with gross revenue of less than seven (\$7) million dollars annually, as reported on its federal income tax return over the past three years;
- Or be a nonprofit entity organized only as a 501 (c)(3) or a 501(c)(19) type to be eligible for an award under this grant program.

Collectively, total grant funds awarded in this program will not exceed \$400,000. Not all applicants are thereby guaranteed award and the City retains full discretion on award amounts and distribution based on the number and type of applications received. For the reporting purposes outlined above, the City must demonstrate that an individual small business or nonprofit is within this class that experienced a negative economic impact. SLFRF funds may not be used for any individual small business or nonprofit that did not suffer a negative economic impact. These funds are grants and do not have to be repaid. Please consult your advisor for any tax questions. All awardees shall fill out an IRS W9 Form prior to award and will receive a 1099 at the end of the year. Grant funds are not subject to state business and occupation (B&O) tax, public utility tax, or retail sales tax.

Contact: If you have any questions, would like to discuss the grant program, or require assistance submitting an application, please contact the City of Newcastle Community Development Director, Mark Hofman, via email at markh@newcastlewa.gov or via phone at (425) 386-4108. Information on where to submit an application by the **5pm, Monday, March 20, 2023** deadline is further specified on page 2 of the attached application form, below the self-certification, authorization, and signature sections.