

**Building Improvement & Small Business Affordability**

**Grant Program Grant Overview**

**PRA and City of Pawtucket ARPA Grant Program**

**Applications Open: February 27, 2025**

**Q&A Information Session: March 3, 2025 11:30 am (Zoom)**

**Deadline for Submissions: March 27, 2025**

**All completed applications must be sent to the following email address:**

**arpa-bip2@pawtucketri.gov**

**Building Improvement & Small Business Affordability**

**Grant Program Grant Overview**

The purpose of this grant program is to provide affordable commercial space for low- to moderate-income small business owners in the Downtown Pawtucket area (map attached separately-eligible area circled), in alignment with the American Rescue Plan Act (ARPA) Final Rule. By offering targeted assistance to address the negative economic impacts of the COVID-19 pandemic—particularly in disproportionately impacted communities—this program seeks to revitalize downtown and strengthen the local small business ecosystem.

Under this program, building owners within the designated Downtown Pawtucket area may apply for grant funding to renovate and rehabilitate vacant or underutilized commercial properties. In exchange for this financial assistance, property owners must commit to offering reduced and affordable lease terms to qualifying low- to moderate-income small businesses (HUD LMI chart provided separately, s.t. annual adjustments) for a minimum period of 24 months. Consistent with the ARPA Final Rule, this approach supports an equitable and inclusive recovery by:

1. **Encouraging Economic Recovery** – Helping small businesses that were disproportionately affected by COVID-19 to access quality, affordable spaces that foster growth and sustainability.
2. **Revitalizing Downtown** – Stimulating commercial activity by upgrading building stock, reducing vacancies, and enhancing the overall streetscape in a key economic corridor.
3. **Supporting Targeted Populations** – Directing resources toward underserved entrepreneurs in alignment with ARPA guidelines, which prioritize aiding disproportionately and negatively impacted groups.

By coupling grants for capital improvements with requirements for reduced rent, this initiative not only addresses immediate negative economic impacts but also lays the groundwork for long-term downtown revitalization and inclusive economic development in Pawtucket.

Eligible proposals must align with one of the four allowable categories. Each project may only address a single category and must fall under one of the four designated Expenditure Categories.

* **Category #1:** Rehabilitation of commercial properties, storefront improvements, and/or façade improvements for a small business disproportionately impacted by COVID-19.
* **Category #2:** Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination.
* **Category #3:** The rehabilitation of publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations.
* **Category #4:** Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment.

**Introduction:**  
The PRA and City of Pawtucket is excited to launch an American Rescue Plan Act (ARPA) funded **Building Improvement & Small Business Affordability Grant Program**, specifically designed to foster economic revitalization by creating **affordable commercial space** for **low- to moderate-income (LMI-see chart attached separately) small business owners** in the Downtown Pawtucket area. In alignment with the **ARPA Final Rule**, this initiative addresses negative economic impacts from the COVID-19 pandemic, particularly in a severely impacted segment of the City. By offering **financial support** to building owners—who commit to **rehabilitating their properties** and providing **below market, affordable rent** to qualifying LMI businesses for at least **24 months**—the program aims to:

* **Stimulate Downtown Revitalization**: Reduce commercial vacancies and support infrastructure improvements in a key economic corridor.
* **Promote Equitable Recovery**: Ensure that disproportionately impacted populations can access and sustain business operations in safe, quality facilities.
* **Strengthen Small Business Resilience**: Empower entrepreneurs with stable, lower-cost workspaces, catalyzing innovation and long-term growth.

Through the **Building Improvement & Small Business Affordability Grant Program**, Pawtucket seeks to create a more inclusive, vibrant, and economically stable downtown environment for all.

**Program Requirements:**

1. **Ownership & Location**
   * Applicant must be the **building owner** of a property facing a commercial street **within the designated Downtown Pawtucket area** (which has been determined to lie within Qualified Census Tract) impacted by COVID-19. Map identifying a circle around the eligible area is attached separately.
2. **Proven Need for Construction**
   * Must demonstrate the necessity of proposed rehabilitation or construction to create or improve commercial spaces for LMI businesses.
3. **"But For" Rationale**
   * Applicant must establish that the project could not proceed **but for** the requested grant funding. No other funding options available.
4. **Competitively Bid**
   * All proposed work must have at least 2 bids or quotes, and grantee must go with the most cost-effective bid or quote.
5. **Non-Displacement**
   * Proposed work must not displace any **existing, legal tenancy** without providing a suitable alternative compliant with local regulations.
6. **Design & Historic Compliance**
   * Adherence to **design guidelines** developed for Downtown Pawtucket.
   * If the property is **historic**, it must meet the requirements of the City Historic Commission.
7. **High Standards of Construction**
   * Utilize **registered architects and engineers**, commensurate with project size and complexity.
   * Follow **best practices** in construction, and comply with **all zoning, building, and environmental requirements**.
8. **Project Management & Budget**
   * Enlist **experienced project management** services if required by project type and complexity.
   * Provide a detailed **budget** identifying all funding sources.
9. **Reduced & Affordable Commercial Space**
   * **In exchange for receiving grant funds, the building owner must commit to offering reduced, affordable rent** to LMI (see chart) small businesses for **a minimum of 24 months** following project completion. Proven best efforts must be made to meet this requirement before a tenant agreement can be made with a non-LMI business or at a market rent. (Contractual Obligation)
10. **Ownership Retention**
    * The property owner must **retain ownership** of the building for at least **Four years** from the date of grant agreement execution.

**Impacted Population Requirements:**

All projects must **meet ARPA eligibility requirements** before awards are made, including targeting requirements for impacted and, where applicable, disproportionately impacted populations. Only projects located in a **Qualified Census Tract (QCT)** will be considered. This geography meets ARPA standards for identifying communities negatively impacted by the pandemic.

* The PRA and City will **collaborate** with applicants to ensure compliance with ARPA guidelines but **reserves the right to deny** any project even if it meets base eligibility.

**Eligible Applicants:**

* **For-profit** and **nonprofit (501c3)** building owners or organizations intending to use funds to **respond to the negative impacts** of COVID-19 within the City of Pawtucket.
* Must be in **good standing** with City and State taxation departments, have **no outstanding code violations** or an approved plan for compliance, and a **proven track record** in property construction and maintenance.
* All eligible applicants must **commit** to offering affordable leases to **low- to moderate-income** small businesses for **24 months** post-project. (Affordable is considered at least 25% off of Fair Market Rental Rate, currently at $18-$24 psf). The affordability period for each LMI tenant shall be at least 24 months. Proven best efforts must be made to meet this requirement before a tenant agreement can be made with a non-LMI business or at a market rent.

**Funding:**

* This **one-time competitive program** has **$2,750,000** available for awards over the next **three** months, or until funds are depleted, with **full expenditure** required by **September 2026**.
* **Maximum allocation** per project is **$350,000**.
* A 10% matching contribution (from either private or public sources) is required, with grant preference given to applications that demonstrate higher external funding leverage.
* **Reimbursement Structure:** Award recipients may submit reimbursement requests monthly for up to 90% of approved project costs, with at least the remaining 10% covered as the owner’s match. This percentage may vary if the owner elects to contribute more than the minimum 10% match. **All reimbursements must comply with applicable ARPA regulations, policies, conditions, and reporting requirements.**
* Applicants must **demonstrate capacity** to meet proposed service specifications, standards, and the 24-month affordability requirement for LMI businesses.

**Requested Amounts:**

When determining the grant amount to request, applicants should consider:

* **Organizational Capacity**
* **Project Scope and Complexity**
* **Budget Justification**
* **Sustainability and Impact**
* **Collaborations and Partnerships** (if any)

Align the funding request with your capacity, the proposed project’s **scope**, and its **anticipated impact** on the community—particularly for LMI entrepreneurs. The PRA and City of Pawtucket **reserves the right** to request scope or budget adjustments prior to final approval.

**Ineligible Uses and Applicants:**

1. **Double-Dipping**
   * Replacement of expenses already covered by **internal or external** funding sources.
2. **Non-Project Expenses**
   * Building expenses **not directly** and **exclusively** associated with the approved scope of work.
3. **Non-Eligible Activities**
   * Costs **outside** the scope of eligible uses listed under ARPA and City guidelines.
4. **Debarred or Non-Compliant Entities**
   * Any organization **debarred** from receiving federal funds, with **audited negative compliance findings**, or under **criminal investigation**.

**Reporting Requirements:**

**Quarterly Reports**:

* **Project Status Report** due by the 14th of each reporting month to the PRA and City’s contract administrator.
* **Supporting Documentation**: Receipts, proof of payment, and any other expenses tied directly to the approved project scope.
* **Expenditure Tracking**: Must clearly report expenditures in the **specific category(ies)** identified in the approved scope.

**Budget Templates**

Applicants must include:

* A **Sources and Uses** statement detailing the **total project cost**, how much funding is requested from this Grant Program, and how other resources (if any) will be used.
* A **Line-Item Budget**, ensuring all costs are necessary, reasonable, and directly related to the project scope.
* **Budget Narrative** explaining how each line item was calculated and why it is essential to meet program goals.

**General Information on Submitting Applications**

1. **Award or Rejection**
   * The PRA and City of Pawtucket reserves the **unqualified right** to accept or reject any or all applications. Awards will be made to the property owners or organizations whose capabilities best serve the City’s interests.
2. **Cost of Application Preparation**
   * Any cost incurred in preparing or submitting an application is the **sole responsibility** of the applicant. **Pre-award costs** are not reimbursable.
3. **Reference to Other Data**
   * Only information **submitted** in response to this notice will be evaluated; references to previously submitted material will **not** suffice.
4. **Form of Application**
   * Each application must be **submitted as a single PDF** per document upload section (budgets in Excel).
5. **Exceptions**
   * All applications are subject to the **terms and conditions** outlined herein.
6. **Advertising**
   * Applicants may **not** use results from this Grant Program for any news release or commercial advertising without prior **written approval** from the PRA and City of Pawtucket.
7. **Right to Submitted Material**
   * All responses, inquiries, and materials related to this Grant Program become the **property of the PRA and City of Pawtucket** when received.
8. **Applicant’s Representative**
   * Each submission must include **contact information** for a person(s) authorized to bind the organization or property owner and to provide clarifications.
9. **Subcontracting**
   * Applicants may **subcontract** portions of the work, provided the application identifies the **scope** and **subcontractor(s)**.
10. **Federal Certifications**

* Property owners or organizations receiving federal funds must **execute Federal Certifications** (Non-discrimination, Drug-Free Workplace, etc.) consistent with ARPA regulations before a contract is signed. Forms attached separately for applicant’s review.

**Application Content and Instructions**

Applicants must clearly demonstrate **how** they will meet the program requirements outlined above. Submit your application via email to **arpa-bip2@pawtucketri.gov** with the subject line “Building Improvement & Small Business Affordability Grant Program Application.”

1. **Project Description**
   * State the **objectives** of the project, focusing on how it will **create affordable commercial space** for LMI businesses.
   * Explain **why** the proposed project is a good use of COVID-19 relief funds and meets the “but for” requirement.
   * Describe the **anticipated impact** on the community, including a proposed **timeline** (start and completion dates are **TBD**).
2. **Organization Background and Qualifications**
   * Outline **organizational** or **property owner** experience with similar projects.
   * Provide **qualifications** of key staff and track record for successful construction, maintenance, and compliance.
3. **Assessment of Needs**
   * Detail the **problem** or community need the project addresses.
   * Identify how **LMI small businesses** will directly benefit and how many.
   * Discuss potential **challenges** (regulatory, environmental, or historic constraints) and how you will mitigate them.
4. **Line-Item Budget and Budget Narrative**
   * Use the **template provided** for detailed cost breakdown.
   * The **Budget Narrative** should justify each line item and its necessity for achieving program goals.

**Application Schedule Summary**

* **Portal Open**: **February 27, 2025**
* **Q&A Information Session:** March 3, 2025 11:30 am (Zoom-link posted on website)
* **Application Deadline**: **March 27,2025**
* **Evaluation**: Begins immediately after the application deadline
* **Award Announcements**: **April 17, 2025 (approx.)**
* **Grant Agreements**: Must be signed within **two weeks** of notification (exact date **TBD**)
* **Project Completion**: Must be finished by **September 30, 2026**

If funds remain after this cycle, the grant program may **re-open** for additional applications. For questions, email **arpa-bip2@pawtucketri.gov** with the subject line **“BIP2 Questions.”**