

SMALL BUSINESS RELIEF GRANT AGREEMENT

AGREEMENT made this ___ day of _____, 2020, by and between the CITY OF STERLING HEIGHTS, a Michigan municipal corporation ("City") located at 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 and _____, ("Grantee") located at _____.

RECITALS

- A. The City is designated as an entitlement community and has applied for and received funds from the United States Government under the Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383.
- B. The U.S. Department of Housing and Urban Development, Office of Community Planning and Development, (federal awarding agency) designated that the City of Sterling Heights has qualified under the Federal Community Development Block Program, and is hereinafter referred to as the CDBG Program.
- C. The City of Sterling Heights is administering a Small Business Relief Grant Assistance Program (hereinafter "the Program") to provide financial assistance to businesses with Community Development Block Grant COVID-19 (CDBG-CV) funds from the U.S. Department of Housing and Urban Development in order to enable the retention of jobs held by low to moderate income persons that have been negatively affected by the COVID-19 Pandemic.
- D. The City has funds available, including Community Development Block Grant CARES Act (CDBG-CV) funds available from the United States Department of Housing and Urban Development (HUD), authorized by Common Council for helping businesses respond to the negative economic impact of the coronavirus, pursuant to 24 CFR Part 570.203 and pursuant to the goals of the program, as approved by City Council on April 9, 2020.
- E. The Grantee has applied for assistance from the Small Business Relief Grant Program and relying on the Grantee's information provided, the City has determined that Grantee is a Small Business at risk of long term business closure as a result of the Coronavirus.
- F. The business is eligible for assistance through the CDBG-CV program because the Grantee qualifies as a Small Business and provided evidence to the City that at least one Grantee employee earns under 80% of the Area Median Income and currently has five hundred or fewer employees including the business owner.
- G. The Grantee wishes to receive a grant from the City the sum of _____ dollars (\$_____) to be able to prevent the closing of its business, and ameliorate the negative impact of the coronavirus on its business
- H. City staff have analyzed evidence provided by Grantee, and Grantee has represented that there is no duplication of benefits from other sources of federal funds.
- I. Prior to advancing funds to the Grantee, the City desires certain assurances as more fully set forth herein;

NOW THEREFORE, the parties hereto do mutually agree to the following:

1. PROJECT REQUIREMENTS

- a) The purpose of the Grant is to provide assistance in mitigating expenses associated with the adverse effects to the business as a result of the COVID-19 pandemic. These expenses, provided by the Grantee, are described in the Terms and Conditions and Detail of Eligible Reimbursement Costs, which are attached as Attachment A.
- b) Grantee shall apply the Grant funds received under this Agreement exclusively for the purpose specified. The Grantee shall comply with all of the provisions of this Agreement and the Small Business Relief Grant Program Guidelines, which are incorporated by reference and made a part of this Agreement. Grantee further agrees that no application of any funds received shall be made in violation of the United States Government under Title I of the Housing and Community Development Act of 1974, as amended, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020.
- c) Grantee shall provide proof of payment (images of canceled checks, bank statements, etc.) and supporting documentation of eligible expenses listed on the detail of reimbursement costs (copies of payroll, receipts for rent or inventory).
- d) Grantee shall remain current on all obligations to the City of Sterling Heights, including water, property taxes.
- e) The Grantee has completed the duplication of benefits form and hereby attests that the grant funds associated with this grant are not a duplication of any other assistance received by the Grantee for the same specific items as listed in the Detail of Eligible Reimbursement Costs.
- f) The proceeds of the grant will not be loaned, granted, or assigned to any other party and in shall no event be used for any purpose prohibited by the Grant Policies and Procedures or the Regulations listed in this agreement. No Grant proceeds may be used for the purchase of property or any construction costs.

2. Records

The Grantee shall maintain complete records relating to this grant assistance for three (3) years, commencing on the date of this signed agreement and shall provide said records to the City for inspection and copying upon the City's request. This should include record of using the funds as stated costs in Project Requirements 1. The Grantee shall provide the City with such reports and information as the City may reasonably request in order to allow the City to comply with the Regulations and any and all applicable requirements of the granting authority.

3. Subrogation

In consideration of Grantee's receipt of funds from the City, the Grantee hereby assigns to the City all of its future rights to reimbursement and all payments received from any grant, subsidized loan, or insurance policies of any type or coverage or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency or the Small Business

Administration or other program to the extent of proceeds paid to Grantee under this Agreement and that are determined in the sole discretion of the City to be a duplication of benefits (“DOB”). This shall be define as financial assistance, available to the Grantee, that can be used to pay for the costs described under Project Requirement, Section 1.

Upon receiving any proceeds from other relief programs or loan programs, Grantee agrees to immediately notify the City. If some or all of the proceeds are determined to be a DOB, the portion that is a DOB shall be paid to the City forthwith.

4. Term, Suspension, and Termination

The Grantee agrees that this Agreement may be terminated or suspended in the event the Grantee fails to perform any of the conditions contained herein and that the City may take appropriate and corrective action in order to insure compliance with this Agreement, including requesting repayment of the entire grant.

In the event of default or violation by the Grantee or the necessity of corrective action, the City will provide the Grantee, by written notice, a demand to cure default explaining the nature and extent of the default or violation. The Grantee will cure or remedy said violation or default within ten (10) days after receipt of said notice, unless a longer time is agreed upon by the parties, in writing. In case default or violation is not cured, and corrective action is not completed within ten (10) days or a longer time as may be agreed upon, this Agreement may be terminated, and the City may have whatever remedy is authorized pursuant to state, local, and federal laws, including return of any funds previously given to the Grantee.

If the Grantee complies with all requirements set forth herein, this Agreement shall terminate one (1) year after the date of this agreement, whereupon all obligations of the Grantee for repayment of funds shall cease. Notwithstanding the foregoing, the City expressly reserves and does not waive its rights to recover any damages arising from or relating to the Grantee’s breach of any of the Grant Documents, including but not limited to this Agreement and/or any attachment hereto which occurred (in whole or in part) before said termination.

5. Modifications and Waivers

No modification or waiver of any provision of the Agreement or Program Policies, nor consent to any departure by the Grantee therefrom shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No failure or delay on the part of the City in exercising any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6. Independent Status

Nothing contained herein, nor any act of the City, the Grantee, or any other party, will be deemed or construed by any party, or by any other third person, to create any relationship with third party beneficiary, principal or agent, limited or general partnership, or joint venture, or of any

association or relationship involving the City. The Grantee is at all times considered an independent agency and not an agency or branch of the City.

9. Indemnity

The Grantee, its officers and directors, agree to indemnify, defend, and hold harmless the City, its agents, officers, elected officials, and employees (“Released Parties”) from any and all damages to property or to persons or death of any person or persons, including employees and volunteers of the Grantee, and will defend, indemnify, save harmless the Released Parties from any and all claims, demands, suits, actions, or proceedings of any kind or nature, including worker's compensation claims, of or by anyone whomsoever, resulting or arising out of the operations of the Grantee, including operations of subcontractors, and acts or omissions of employees or agents of the Grantee or its subcontractors.

10. Governing Law

This Grant Agreement shall be governed by interpretation and enforced in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals the day and year first above written.

CITY OF STERLING HEIGHTS

Grantee Name

Jason Castor, Director
Community Development

By:
Its:

Duplication of Benefits Affidavit

This section identifies any sources of funds that the business has applied for or received as a result of the COVID-19 Global Health Crisis other than insurance. Sources of funds include but are not limited to: Federal, state and local loan/grant programs, private or bank loans, nonprofit donations or loans. Please mark each of the boxes below which apply to your business pertaining to any prior assistance:

I **HAVE NOT** applied for or received funding assistance from Federal, state, local programs or from other sources.

I **HAVE** received funding assistance from the following programs to assist in responding to the impact of the Covid-19 Global Health Crisis:

1) Lender/Grant Program Name:

Amount requested: \$

Amount received: \$ Date received:

How funds are being used (please be specific):

2) Lender/Grant Program Name:

Amount requested: \$

Amount received: \$ Date received:

How funds are being used (please be specific):

3) Lender/Grant Program Name:

Amount requested: \$

Amount received: \$ Date received:

How funds are being used (please be specific):

I have **APPLIED FOR** funding assistance, and my application is **PENDING** from the following programs:

1) **Lender/Grant Program**

Name:

Amount requested:

How funds will be used (please be specific):

2) **Lender/Grant Program**

Name:

Amount requested:

How funds will be used (please be specific):

3) **Lender/Grant Program**

Name: Amount

requested:

How funds will be used (please be specific):

DRAFT

As a recipient of a CDBG-CV funds under the applicable Agreement, I assert that:

1. I will not apply for more funding than needed for the eligible activity or project for which CDBG-CV funds are provided. For example, if I have \$100 available from another source towards each monthly gas bill and I am applying for CDBG-CV funds to pay for my total monthly gas bill of \$500, CDBG-CV funds will be limited to \$400 per month for up to three months.
2. I understand that duplication of benefits (DOB) are prohibited under the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).
3. I will immediately report to the City of Sterling Heights Office of Community Development Block Grant if I apply for or accept any financial assistance from other funding sources (federal, state, local or private) that constitute a duplication of benefits received under the Small Business Relief Grant Programs.
4. I acknowledge that any duplication of funds may either have to be paid back to the City or that the grant funds may be reduced by a corresponding amount.
5. I understand that this affidavit is appended to and part of the applicable Agreement that the Business Applicant executes with the City for CDBG-CV funds and is a condition of the receipt of such funds.

Signature

By Its:

Date

Official Use Only		
Check Number	Amount	Issue Date
Account Number		

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