



American Rescue Plan Act (ARPA) Notice of Funding Availability (NOFA)

Grant Name: North Sacramento Business Investment Program

NOFA #: N25021411001

NOFA Posted on: December 6, 2024

NOFA Questions Due by: 4 PM on February 15, 2025

Applications Due by: 4 PM on February 28, 2025

Contents

- Part I: Background Information2
 - Background.....2
 - Program Overview2
 - Program Tiers2
 - Tier I: Storefront Retailer Improvements3
 - Tier II: Storefront Retailer Equipment Assistance4
 - Tier III: Restoration of Vacant Buildings for Tenancy4
 - Funding Parameters5
 - Amount Available.....5
 - Applicant Restrictions5
 - Match Requirement5
 - Payment Disbursement Method5
 - Maintain Improvements5
 - Information Sessions and Office Hours6
 - Questions and Accommodations.....6
 - Tentative Timeline6
- Part II: Application Instructions.....6
 - Application Instructions.....6
 - Application Information7
 - Review and Scoring Process9
 - Scoring Criteria10
- Part III: Other Requirements12
- Part IV: Miscellaneous.....12
 - Contract12
 - Amendments12
 - Public Records.....12
 - Rejection of Applications.....13

Part I: Background Information

Background

Signed into law in March 2021, the American Rescue Plan Act (ARPA) appropriated \$350 billion to support state and local recovery efforts from the coronavirus (COVID-19) pandemic. As an eligible jurisdiction, the City of Sacramento received \$112.2 million in ARPA funds.

In September 2021, the Sacramento City Council adopted a framework to serve as a spending plan for its ARPA allocation. Among the priorities identified was a \$5 million appropriation to support economic recovery within North Sacramento.

In August 2022, the Sacramento City Council adopted a framework specific to the \$5 million North Sacramento investment and in July 2024, the Sacramento City Council adopted an amended framework authorizing the establishment of a North Sacramento Business Investment Program (“the Program”).

Program Overview

Open to eligible North Sacramento businesses and property owners, the Program pairs funding for tenant improvements and equipment purchases with complimentary business technical assistance. The purpose of the Program is to help commercial corridors in City Council District 2 recover from the negative economic impacts caused by the COVID-19 pandemic. By investing in business stability and growth, the Program aims to attract more customers, create jobs, and better serve the local economy.

The Program not only builds upon other ARPA investments in North Sacramento such as the [Façade and Property Improvement Program](#), but also aligns with the community priorities identified in the [Forward Together Marysville Del Paso Boulevard Action Plan \(“the Plan”\)](#).

Adopted by the Sacramento City Council in April 2024, the Plan identified a set of prioritized actions, categorized into the four focus areas of: Live, Shop, Work and Experience. The goal of the “Shop” focus area is to create an inclusive retail corridor that meets the various shopping and entertainment needs of the community. More specifically, the Program directly addresses “Shop” Action 8.1, which identifies the need to:

“Create a grant program (or expand existing grant programs) specific to local businesses in the area that can provide financial support for storefront façade improvements, tenant improvements, and improved gathering spaces and experiences for customers, such as outdoor dining concepts.”

Program Tiers

The Program is comprised of three tiers:

- 1. Tier I: Storefront Retailer Improvements**

- a. Assist storefront retailers with tenant improvements¹ and/or equipment purchases/repairs² to stabilize and grow in their location.

2. Tier II: Storefront Retailer Equipment Assistance

- a. Assist storefront retailers with equipment purchases/repairs to scale operations or create new revenue streams.

3. Tier III: Restoration of Vacant Buildings for Tenancy

- a. Restore existing vacant buildings to be leased by storefront retailers through tenant improvements and/or equipment purchases.

For tiers I and II, the Program will also require that awardees receive at least five hours of complimentary business technical assistance from a City-funded consultant who will assess their business viability and sustainability, identify areas of improvement, and project how the proposed investment will benefit their business.

The following sections provide more information about each tier including defining eligible applicants, the minimum and maximum funding request, the total number of projects awarded, the award structure, and other requirements.

Tier I: Storefront Retailer Improvements

Tier I is intended for existing and operational storefront retailers to request investment in tenant improvements (TI). In addition, the applicant can request investment in equipment purchases or repair. The TI and/or equipment proposed should significantly improve and/or expand business operations. The improvement should directly or indirectly increase revenues, create new or expand existing jobs, and meet local customer demand.

Eligible Applicants

To apply for Tier I, applicants must be a for-profit business, operating storefront retail, with street frontage³ on Del Paso Boulevard between Lampasas Avenue/Evergreen Street and Highway 160.

Minimum and Maximum Funding Request

The minimum funding request per application is \$100,000 and the maximum is \$240,000.

Total Number of Projects Awarded

The City will award up to ten proposals in this tier.

Award Structure

The City will structure Tier I awards as a grant.

Other Requirements

Tier I awardees must agree to receive at least five hours of complimentary business technical

¹ Tenant improvements is defined as a renovation to the interior space of a building that addresses a legitimate business need. This could also extend to limited exterior improvements such as a roof repair

² Equipment purchases is defined as a tangible, long-term asset such as machinery, appliances, vehicles, hardware/software, or computers that addresses a legitimate business need and has a useful life exceeding one year

³ Street frontage is defined as having a commercial storefront that is publicly accessible directly abutting Del Paso Boulevard

assistance from a City-funded consultant.

Tier II: Storefront Retailer Equipment Assistance

Tier II is intended for businesses to request investment in purchasing and/or repairing equipment critical to business operations. The equipment proposed should significantly improve and/or expand business operations and should directly or indirectly increase revenues, create new or expand existing jobs, and meet local customer demand. Applicants applying for tenant improvements **and** equipment purchases should apply for Tier I.

Eligible Applicants

To apply for Tier II, applicants must be a for-profit business, operating commercially zoned, storefront retail within [City Council District 2 geographic boundaries](#).

Minimum and Maximum Funding Request

The minimum funding request per application is \$5,000 and the maximum is \$50,000.

Total Number of Projects Awarded

The City will award up to fifteen proposals in this tier.

Award Structure

The City will structure Tier II awards as a grant.

Other Requirements

Tier II awardees must agree to receive at least five hours of complimentary business technical assistance from a City-funded consultant.

Tier III: Restoration of Vacant Buildings for Tenancy

Tier III is intended for property owners to request investment in tenant improvements (TI). In addition, the applicant can request investment in equipment purchases or repair. The goal of the proposed TI should be to create a space ready for tenant occupancy. The equipment proposed should align with the future tenant's operational needs. The improvement(s) should directly or indirectly increase revenues, create new or expand existing jobs, and meet local customer demand.

Eligible Applicants

To apply for Tier III, applicants must be the property owner of a commercially zoned, vacant building(s) and/or parcel(s) with street frontage on Del Paso Boulevard between Lampasas Avenue/Evergreen Street and Highway 160.

Ineligible Applicants

Nonprofit property owners and property owners that plan to seek a nonprofit tenant for the property are ineligible.

Minimum and Maximum Funding Request

The minimum funding request per application is \$100,000 and the maximum is \$240,000.

Total Amount of Projects awarded

The City will award up to five proposals in this tier.

Award Structure

The City will structure Tier III awards as a forgivable loan. This means that instead of a grant, the award will be a loan that must be repaid unless the awardee can satisfy certain forgiveness terms.

Other Requirements

Since Tier III is structured as a forgivable loan, the primary term for forgiveness is that the investment must result in a tenant occupying and operating a retail storefront within one year of the completed improvements. This means applicants do not have to have a tenant secured prior to award; however, the City will prioritize funding applicants who can demonstrate a planned tenancy for the vacant space via a lease agreement, letter of interest, or other similar documentation.

Funding Parameters

Amount Available

There is approximately \$1.6 million available; however, the City reserves the right to adjust the amount available based on the applications received. Funded by a one-time source of ARPA reinvestment dollars, the Program is unlikely to have future funding rounds.

Applicant Restrictions

The City is imposing the following applicant restrictions:

1. Applicants can only apply for one tier.
2. Applicants owning, or doing business in, more than one adjacent⁴ building or parcel must include all adjacent buildings or parcels within a single application. This means applicants who own multiple non-adjacent buildings or parcels can submit more than one application as long as the application remains within the same tier; however, the City reserves the right to limit the number of awarded applications at its sole discretion.
3. Applicants cannot receive more than \$240,000 in City funding from this solicitation.
4. Applicants applying for multiple City grants cannot receive funding from multiple programs to pay for the same improvements.

Match Requirement

This funding program does not require a cash match.

Payment Disbursement Method

The City will issue payment via an incurred cost method. For this funding program, an incurred cost means either an expense that the awardee has already paid or an expense that the awardee is obligated to pay but has not yet made the payment.

The City will withhold 10% of the total grant award until completion of an onsite inspection of the completed project.

Maintain Improvements

The grantee must maintain improvements, at his or her own expense, for at least two years after the agreement is complete.

⁴ Adjacent is defined as directly abutting, next to, or adjoining another building and/or parcel

Information Sessions and Office Hours

Please visit the [City's North Sacramento Business Investment Program webpage](#) for a complete schedule.

Questions and Accommodations

All questions regarding this solicitation must be submitted in writing to smallbusiness@cityofsacramento.org.

All questions must be submitted no later than 4 PM on February 15, 2025. Questions submitted via other methods will not receive a response.

Answers to all questions submitted by the deadline will be posted by 4 PM on February 25, 2025, on the [City's North Sacramento Business Investment Program webpage](#).

If applicants require in-language assistance, please also submit requests in writing to smallbusiness@cityofsacramento.org. The City will provide in-language assistance as practicable.

Tentative Timeline

Activity	Estimated Date
Release of NOFA	December 6, 2024
Question deadline	4 PM on February 15, 2025
Question answers published	4 PM on February 25, 2025
Application submittal deadline	4 PM on February 28, 2025
Application review	March-April 2025
Award notification	May 2025
Contract preparation and execution	Summer 2025
Anticipated project term	One year

The City reserves the right to modify the dates listed above at its discretion.

Part II: Application Instructions

Application Instructions

Applicants must submit completed applications no later than 4 PM on February 28, 2025, via the City's [Submittable platform](#).

Review the application before applying to ensure you have all the required information and documentation. Below is a sample of the types of questions asked on the application, however depending on the tier you choose, there may be additional questions. Please refer to the [Submittable platform](#) for a copy of the final application.

Application Information

Requested information includes, but is not limited to:

1. Applicant information
 - a. Business name/property owner name
 - b. Primary site address
 - c. If applicable, other site address(es)
 - d. Contact name
 - e. Contact title/affiliation
 - f. Contact email
 - g. Contact phone
 - h. Indicate if a business owner, property owner, or both
 - i. If business owner or both, date business opened at site address
 - ii. If business owner or both, current annual revenue
 - iii. If business owner or both, current number of employees
 - i. Indicate if a tenant or property owner
 - i. If a tenant, upload a copy of lease
 - ii. If a tenant, upload property owner's written consent
2. Proposal information
 - a. Indicate which tier applying for:
 - i. Tier I: Storefront Retailer Improvements
 1. Amount of funds requested
 2. Total project cost
 3. Describe your business and how the proposed interior building improvement(s) and/or equipment purchase(s)/repair(s) address a legitimate business need
 4. Describe how the proposed interior building improvement(s) and/or equipment purchase(s)/repair(s) will significantly improve and/or expand current business operations
 5. Describe what research you completed and/or contractors you engaged to ensure your proposed project is feasible and completion is assured within a one-year timeframe
 6. Describe what design and/or pre-construction work is completed and if you have already submitted for City planning and/or building approval
 7. Amount of annual revenue increase anticipated. Describe how the proposed improvement will impact revenue/sales, and profit
 8. If applicable, upload financial projections or pro forma estimates to support the revenue/sales and profit impacts, described above

9. Estimated number of new jobs created
 10. Estimated number of existing jobs retained
 11. Upload contractor and/or equipment bids, quotes, or estimates
 12. Indicate if currently working with a business technical assistance (TA) provider(s) or business consultant(s) on your improvement project
 - a. If yes, please share the name of the TA provider(s) and/or consultant(s) and what they have helped you accomplish
 13. Optional supplementary information—For each supplementary document uploaded, the applicant will receive 5 preference points for a maximum of 15 points toward your total score
 - a. Business tax returns from the last three years or sooner, and/or the most recent profit and loss statement
 - b. Business plan
 - c. Current design plans/renderings, City planning application, City building permit application
 14. Optional demographic information
- ii. Tier II: Storefront Retailer Equipment Assistance
1. Amount of funds requested
 2. Total project cost
 3. Describe your business and how the proposed equipment purchase(s)/repair(s) address a legitimate business need
 4. Describe how the proposed equipment purchase(s)/repair(s) will significantly improve and/or expand current business operations
 5. Describe what research you completed and/or contractors you engaged to ensure your proposed project is feasible and completion is assured within a one-year timeframe
 6. Amount of annual revenue increase anticipated. Describe how the proposed improvement will impact revenue/sales, and profit
 7. If applicable, upload financial projections or pro forma estimates to support the revenue/sales and profit impacts, described above
 8. Estimated number of new jobs created
 9. Estimated number of existing jobs retained
 10. Upload equipment bids, quotes, or estimates
 11. Indication if currently working with a business technical assistance (TA) provider(s) or business consultant(s) on your improvement project
 - a. If yes, please share the name of the TA provider(s) and/or consultant(s) and what they have helped you accomplish
 12. Optional supplementary information—For each supplementary

document uploaded, the applicant will receive 5 preference points for a maximum of 15 points toward your total score

- a. Business tax returns from the last three years or sooner, and/or the most recent profit and loss statement
- b. Business plan
- c. Current design plans/renderings, City planning application, City building permit application

13. Optional demographic information

iii. Tier III: Restoration of Vacant Buildings for Tenancy

1. Amount of funds requested
2. Total project cost
3. Describe how the proposed interior building improvement(s) and/or equipment purchase(s)/repair(s) will significantly improve and/or expand the potential for business operations in the building
4. Describe what research you completed and/or contractors you engaged to ensure your proposed improvements are feasible and completion is assured within a one-year timeframe
5. Describe what design and/or pre-construction work is completed and if you have already submitted for City planning and/or building approval
6. Once your proposed improvements are complete, describe what steps you will take to ensure tenant occupation within a one-year timeframe
7. Upload contractor and/or equipment bids, quotes, or estimates
8. Optional supplementary information—For each supplementary document uploaded, the applicant will receive 5 preference points for a maximum of 15 points toward your total score
 - a. Planned tenancy documentation including a lease, letter of interest, or other similar documentation
 - b. Proposed tenant’s business plan
 - c. Current design plans/renderings, City planning application, City building permit application
9. Optional demographic information

Review and Scoring Process

The City will review all applications for completeness and eligibility. It is the City’s intent to avoid having otherwise worthy applications disqualified due to minor and easily correctable errors or omissions. Therefore, the City will conduct an initial review to determine whether an application complies with all technical requirements. Should the City identify deficiencies, applicants will have a limited opportunity to correct mistakes by making changes that bring the application into technical compliance.

Complete and eligible applications will be scored by a review panel comprised of non-conflicted staff. Based on the panel scores, staff will recommend award amounts. Due to the limited funding available, applicants are not guaranteed funding.

The City will notify all applicants of their application status upon completing the review panel process.

Scoring Criteria

A review panel comprised of City staff will score applications using the following rubric:

Scoring Criteria	Maximum Points
Proposal	
Tier I and II	
1. The applicant clearly describes the proposed interior building improvement(s) and/or equipment purchase(s)/repair(s) and makes a compelling case for why the project addresses a legitimate business need.	10
2. The applicant requests a reasonable and allocable amount of funds given the proposed usage.	5
3. The applicant has demonstrated longevity by operating at the proposed location since January 1, 2020, or earlier.	10
Tier III	
1. The applicant clearly describes the proposed interior building improvement(s) and/or equipment purchase(s)/repair(s) and makes a compelling case for why the project addresses legitimate business need.	5
2. The proposed project addresses customer demand and community desires. It aligns with established community plans or City-adopted plans.	5
3. The applicant requests a reasonable and allocable amount of funds given the proposed usage.	5
4. The applicant presents a detailed plan and demonstrates a strong commitment to securing tenancy within a one-year timeframe from when the proposed improvements are complete.	10
Impact	
Tier I and II	
1. The proposed project addresses customer demand and community desires. It aligns with established plans.	20
2. Financial projections show increased revenue and/or creation of new or expansion of existing jobs	15

Tier III	
1. The proposed project addresses customer demand and community desires. It aligns with established community plans or City-adopted plans.	20
2. Financial projections show increased revenue and/or creation of new or expansion of existing jobs.	15
Feasibility	
Tier I and II	
1. The applicant has completed extensive research and already engaged with contractor(s).	15
2. There are no significant barriers that jeopardize completion of proposed improvement(s) and the project can be completed within 12 months or less.	10
Tier III	
1. The applicant has completed extension research and already engaged with contractor(s).	10
2. There are no significant barriers that jeopardize completion of the proposed improvement(s) and the project can be completed within 12 months or less.	5
3. Applicant proposal results in “warm shell” building that is ready for tenant to occupy and launch operations within 12 months.	5
Optional Supplementary Information Preference Points	
Tier I and II	
1. Business tax returns from 2023 or 2024 and/or business profit and loss statements for 2023 or 2024.	5
2. Business plan.	5
3. Current design plans/renderings, City planning application, City building permit application.	5
Tier III	
1. Tenancy documentation including a lease, letter of interest, or other similar documentation.	5
2. Tenant business plan.	5
3. Current design plans/renderings, City planning application, City building permit application.	5
Total Points	100

Part III: Other Requirements

Other requirements are as follows:

1. Must comply with all applicable local, state, and federal codes and design standards.
2. Must comply with all applicable local, state, and federal prevailing wage requirements.
3. Must execute a grant agreement or forgivable loan agreement with the City of Sacramento prior to incurring any reimbursable costs.
4. Must not have any pending code enforcement violations tied to the proposed property or must demonstrate a plan to address code violations at the time of contract execution.
5. Must not be in foreclosure or bankruptcy proceedings at the time of application or award.
6. Must be a permitted or conditionally permitted use.
7. Must possess an active [City of Sacramento Business Operations Tax Certificate](#) or valid exemption at the time of contract execution.
8. Must be in active and good standing with the [California Secretary of State's business registry](#), unless a sole proprietor at the time of contract execution.
 - a. If a sole proprietor, must have an active registration with the [County of Sacramento for a fictitious business name](#).
10. Must comply with the City of Sacramento's Commercial General Liability, Automobile Liability; Workers' Compensation, and Professional Liability insurance requirements.
11. Must receive approval of the Planning Division, receive a Building Permit, pay all required fees, and comply with any other City standards prior to commencing construction.
12. Must utilize licensed and properly insured contractors to complete approved work.

Part IV: Miscellaneous

Contract

All awardees must execute a grant agreement or forgivable loan agreement with the City. [Here is a link](#) to the ARPA grant agreement template, as one example. The applicant is responsible for reading and understanding the agreement's terms and conditions prior to applying. Any exceptions to the agreement must be noted in the applicant's proposal narrative and may be a basis for non-award.

Amendments

The City reserves the right to revise or amend any part of these guidelines by issuing an addendum up to the due date/time for submittal. If necessary due to the revisions or amendments, the due date for applications may be postponed.

Public Records

All applications, application materials, and collated review panel scores are public records. All information received from an applicant, whether received in connection with an application or in

connection with any funded activities performed, will be disclosed upon receipt of a request for disclosure pursuant to the California Public Records Act. Application scores are also subject to disclosure. The City reserves the right to use application materials as demonstration examples in future workshops.

Rejection of Applications

The City of Sacramento may, at its discretion, determine not to award any applicant in response to this request or to negotiate with any awardee in any manner necessary to serve the best interests of the City. No applicant shall receive any compensation for preparing any application.