



TOWN OF WATERTOWN

Department of Community Development and Planning
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Dear Business Owner,

The Town of Watertown received funding for Microenterprise Assistance grants for small businesses adversely affected by COVID-19. The application is now open for the Microenterprise Assistance Grant Program. These funds will provide grants to support qualifying microenterprises in 23 cities and towns across the Metropolitan Boston Region, including The Town of Watertown, that have been adversely impacted by COVID-19.

This program makes a total of \$4,950,000 in grants available statewide, which is part of the \$19.6 million award through the federally-funded Community Development Block Grant COVID-19(CDBG-CV) program. These special funds were appropriated through the CARES Act of 2020. The Town of Watertown will be receiving **\$280,500.00** to support small businesses in the community.

The funding is being utilized to address emergency needs in light of the Coronavirus pandemic. Specifically, the funds will be utilized to award individual grants of up to \$10,000 for microenterprise businesses. A microenterprise is defined as a commercial enterprise that has 5 or fewer full-time equivalent employees, including 1 or more of whom owns the enterprise, and must be a for-profit entity. Funds may be used for working capital to cover business costs, such as rent, staffing, utilities and personal protection equipment (PPE). Microenterprise Assistance grant funds may not be used for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying.

Massachusetts Growth Capital Corporation (MGCC) will serve as the Program Administrator. **Applications are available [here](https://massgcc.submittable.com/submit)** (https://massgcc.submittable.com/submit) and are due by **September 25th at 5:00 PM**.

Businesses interested in applying must complete and submit the application **electronically** through MGCC's [online application portal](#). Hard copies or electronic copies submitted in any other way, such as mailed in or emailed, will not be considered.

Businesses interested in applying must meet the following **eligibility criteria**:

- Business must have a physical establishment in one of the following cities/towns: Ashland, Beverly, Burlington, Canton, Concord, Dedham, Essex, Lexington, Manchester by the Sea, Marlborough, Melrose, Milton, Natick, North Reading, Norwood, Randolph, Reading, Sharon, Southborough, Stoneham, Watertown, Winchester or Woburn.

- Business must be a microenterprise (a commercial enterprise that has 5 or fewer full-time equivalent employees, 1 or more of whom owns the enterprise, as of today).
- Business owner(s) must be income eligible. All owners of the business must earn an annual income equal to or less than 80% of the Area Median Income (AMI) based on family size. (See FAQ below for income limits)
- Business must be a for-profit entity (sole proprietorship, partnerships, corporations, or LLCs).
- Business must provide goods or services to multiple clients or customers.
- Business must be able to document a loss of income equal to or greater than requested assistance due to COVID-19.
- Business must be currently in operation and have been established prior to 01/01/2019.
- Business must be in good standing with the state and city/town:
 - Business must be current on all taxes due through 3/1/2020; and
 - Have active and valid state licenses/registrations, if applicable; and
 - Not a party to litigation involving the Commonwealth or municipality you operate in.

Ineligible businesses:

- Real estate rentals/sales businesses;
- Businesses owned by persons under age 18;
- Businesses that are chains;
- Liquor stores;
- Weapons/firearms dealers;
- Lobbyists; or
- Cannabis-related businesses.

Please see below for common questions and answers. For further questions, please contact **Gideon Schreiber, Senior Planner**, gschreiber@watertown-ma.gov or at **(617) 972-6417**

Frequently Asked Questions

What is the definition of a microenterprise business? 5 or fewer full-time equivalent employees, including the business owner.

For microenterprises, what is the date of the “count” of number of employees? At the time of application for assistance.

What is income eligibility, LMI and what are the requirements for this grant? LMI is low-and-moderate income persons. An individual is considered to be LMI based on their annualized family income. Overall, to be classified as LMI, a family's household income must be **less than or equal to 80% of the median income** for the area where they reside. Click the HUD calculation link [HERE](#). Most businesses within this grant will fall under the Boston-Cambridge-Quincy MA area.

Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area – FY 2020 Income Limits*	
Number of Persons in Family	80% Low Income Limit - LMI
1	\$67,400 max
2	\$77,000 max
3	\$86,650 max
4	\$96,250 max
5	\$103,950 max
6	\$111,650 max
7	\$119,350 max
8	\$127,050 max

**Median Family Income for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area – FY 2020 is \$119,000.*

If there are multiple owners, do all need to meet LMI requirements in order to be eligible or does just one need to be eligible? If there are more owners, they must each be eligible to qualify.

How long does a business have to be open to qualify for this grant? Must be in business as of 1/1/19 and have a physical establishment that serves the community that is distributing the grant. Some home-based businesses will be eligible.

What cities and towns are distributing this grant? The following 23 municipalities are participating in this grant program. Businesses that have a physical establishment in the following can apply: Ashland, Beverly, Burlington, Canton, Concord, Dedham, Essex, Lexington, Manchester by the Sea, Marlborough, Melrose, Milton, Natick, North Reading, Norwood, Randolph, Reading, Sharon, Southborough, Stoneham, Watertown, Winchester or Woburn.

How much money can one business apply for? Up to \$10,000

What documents will I need to submit with the application? Applicants will be required to submit documentation to support all provided information. The following list identifies the required documents that will be requested at the time the applications are submitted:

- [DUNS number](#)
- [W-9 Form](#) Request for Taxpayer Identification Number and Certification
- 2019 or 2020 Certificate of Good Standing
- A copy of complete 2019 Federal Personal Tax Returns for each business owner with a 20% or greater ownership interest in the business for LMI requirement verification. If on extension, 2018 will be accepted.
- A copy of your complete 2019 Federal Business Tax Return. If on extension, 2018 will be accepted.
- A copy of your License to Operate/Business License/Professional Certification, if applicable
- A copy of your Lease or Mortgage Bill
- If you received any state, local or federal aid, please provide documentation
- Documentation to demonstrate that COVID-19 has caused a loss of income equal to or greater than requested assistance

How do I apply? What are the next steps? Massachusetts Growth Capital Corporation (“MGCC”) will be helping to administer and oversee the grant program. Applications are available [here](https://massgcc.submittable.com/submit) (<https://massgcc.submittable.com/submit>) and are due by **September 25th**.

How is “currently in operation” defined? If a business was in operation but closed because of COVID, it would make sense that the business should be eligible for this funding. “Currently in operation” means that the business has not permanently closed, gone out of business, filed for bankruptcy.

Can businesses buy equipment with grant funding? The purchase of equipment, fixtures, furnishings, property with CDBG funds is generally ineligible. Funding may be used for rent, mortgage assistance, utilities or payroll. Funds may also be used to purchase PPE.

Are home-based businesses eligible? For example: landscapers, contractors, artists, daycares, consultants, etc. Legitimately licensed commercial businesses may be considered eligible for assistance.

Can the funds be used to assist a business owner with making payments on a loan that they received prior to the start of the pandemic, even if it’s for an equipment purchase? Funds may be used for working capital to cover business costs, such as rent, staffing, and utilities. Microenterprise Assistance Program funds may not be used for major equipment purchases, purchase of real property, construction activities, business expansion, or lobbying.