

Resources for Royal Oak Businesses Impacted by COVID-19 (updated July 13, 2020)

Provided below is a list of resources and information for Royal Oak businesses during the COVID-19 (Coronavirus) outbreak. The city, DDA, and Chamber of Commerce are in constant communication with the economic development leadership at the state and county levels, and this page will be updated as more resources become available.

For the latest information, please visit www.michiganbusiness.org/covid19/

ROYAL OAK CDBG SMALL BUSINESS ASSISTANCE PROGRAM

The Royal Oak City Commission has set aside \$265,263 of its special allocation of Community Development Block Grant funds (CDBG-CV) from the enactment of the CARES Act to provide financial assist to small businesses in Royal Oak effected by COVID-19.

The Royal Oak CDBG-CV Small Business Assistance Program is a loan designed to provide short-term working capital which enables small businesses to remain prosperous and retain or create jobs held by persons living in low- to moderate-income households.

The City of Royal Oak will forgive loans, after six (6) months, if the assisted small business can demonstrate that it successfully created new jobs or retained existing jobs based on federal requirements. More information on the program can be found in the [application](#).

OAKLAND COUNTY SMALL BUSINESS RECOVERY GRANT

Oakland County retail stores, restaurants and personal service businesses such as salons and fitness centers impacted by the coronavirus pandemic are eligible for the \$32 million Oakland Together Small Business Recovery Grant fund.

The grants – which range from \$2,500-\$10,000 – provide an infusion of capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar ones that occur in the ordinary course of business. The funds come from Coronavirus Aid, Relief, and Economic Security (CARES) Act money allocated to Oakland County by the federal government.

Applications are accepted online at www.oakgov.com/covid/grants, which also describes the program in detail and lists the type of eligible businesses.

SBA PAYCHECK PROTECTION PROGRAM

The SBA Paycheck Protection Program (PPP) is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. The Paycheck Protection Program will be available through August 8, 2020.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19. Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

Small businesses in the hospitality and food industry with more than one location could also be eligible at the store and location level if the store employs less than 500 workers. This means each store location could be eligible.

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. This loan has a maturity of 2 years and an interest rate of .5%.

For more information, please visit [Mlpaycheckprotection.com](https://mlpaycheckprotection.com), where businesses will find key resources to assist with the PPP application and loan process and ensure the greatest amount of federal funding is able to be used by small businesses for economic relief efforts throughout the state.

SBA DISASTER ASSISTANCE LOANS

The Small Business Administration is providing targeted, low-interest loans to small businesses and non-profits that have been severely impacted by COVID-19. The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. Small business owners in many states are now eligible to apply, including Michigan.

For eligibility information, please visit <https://sbdcMichigan.org/disaster-loan-help/>

To apply, please visit <https://disasterloan.sba.gov/ela>

IRS EMPLOYEE RETENTION CREDIT

The U.S. Treasury Department and the Internal Revenue Service launched the Employee Retention Credit, designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

The credit is available to all employers regardless of size, including tax-exempt organizations. There are only two exceptions: State and local governments and their instrumentalities and small businesses who take small business loans.

Qualifying employers must fall into one of two categories:

1. The employer's business is fully or partially suspended by government order due to COVID-19 during the calendar quarter.
2. The employer's gross receipts are below 50% of the comparable quarter in 2019. Once the employer's gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter.

For more information about this credit, please visit <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>

GUIDANCE TO EMPLOYERS CONTEMPLATING POTENTIAL LAYOFFS

Work Share Program

Michigan's Work Share program allows you to keep your employees working with reduced hours, while employees collect partial unemployment benefits to make up a portion of the lost wages. With Work Share, you can maintain operational productivity and hang on to your skilled workers.

For more information, please download this [Work Share Fact Sheet](#)

Temporary Leave vs. Termination

Due to the uncertainty regarding potential congressional action on how furloughed workers will be able to access federal resources, employers are strongly urged to place employees on **temporary leave** as opposed to termination. There is no additional cost to employers, employees remain eligible for unemployment benefits and they may remain eligible for potential federal assistance.

Steps for employers placing employees on temporary unpaid leave can be found [here](#).

RESOURCES FOR EMPLOYEES

If you become unemployed, you may qualify for unemployment insurance benefits. These benefits are intended to provide temporary income as you seek new employment. To be eligible for unemployment benefits, you must be unemployed and able to, available for, and actively seeking suitable full-time work.

A claim for unemployment benefits begins the week it is filed. Therefore, you should file your claim during your first week of unemployment. There are two ways to file a new claim or re-open an existing claim:

ONLINE is the fastest and preferred method.

Visit www.michigan.gov/uia and sign into MILogin to access or create an account on the Michigan Web Account Manager (MiWAM)

VIA TELEPHONE, call 1-866-500-0017. If you are hearing impaired, TTY service is available at 1-866-366-0004.

CITY UPDATES AND CONTACTS

Effective March 17, 2020 all municipal buildings are closed to the public until further notice. That said, city staff will still be answering your calls, opening mail, processing applications and more. Licenses and voter information may be filled on online. Other forms may be downloaded.

The best way to stay informed is to [sign-up for email or text messages from the city using NotifyMe](#) or follow the city on social media where we post regular updates.