

**Notice of Funding Availability (NOFA)  
for Community Development Block Grant (CDBG)**

**COVID-19 Funds for Emergency Small Business Assistance and  
Microenterprise Grant Assistance (SBMA)**

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## **A. General Information**

### **A. Background**

In response to the economic impact of the COVID-19 pandemic, the Community Development Block Grant (CDBG) program has been highlighted as a vehicle to provide financial relief to states, communities, and businesses. The CDBG program is somewhat flexible and could counter some of the financial impacts from the current crisis.

This NOFA outlines the modified structure of the CDBG grant programs that are being proposing to accommodate COVID-19 related response. These changes are all within Business Oregon's authority to make, with no statutory or other modifications needed.

### **B. Funding Information**

This grant program is utilizing federal funding from the Community Development Block Grant program. \$2,000,000 has been allocated to this program.

The maximum application request can be no more than \$150,000.

### **C. Program Objective**

Funding granted under this NOFA are to be utilized for the following:

- Assistance to Small Businesses/Micro-Enterprise to:
  - New businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to COVID-19.
  - Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
  - Provide technical assistance, grants and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.
  - The Emergency Business Assistance grant program is intended to;
    - Help businesses remain solvent through the crisis and be ready/able to rebuild and/or reopen.
    - Fill specific cash flow gaps in businesses' larger efforts to scale down, reduce expenses, and take any additional defensive measures to survive the crisis.

Business Oregon staff will review all requests against the federal and state guidelines and the [2020 Method of Distribution, Chapter 15 to determine eligibility](#). Funds will be awarded to the first eligible project and each thereafter until all funds are exhausted.

**D. Eligible Applicant Organizations**

The state CDBG program is only available to non-entitlement cities or counties (cities or counties that do not receive a direct allocation of CDBG funds from HUD, see list of *entitlement communities\**).

The non-entitlement city or county grant recipient must sub-grant the funds to either one of the following non-profit organizations:

- For Small Business Assistance: a statewide or local Economic Development, non-profit organization certified and experienced in providing/administering small business financing programs (such as the following but not limited to: EDA, SBA, USDA, CDFI).
- For microenterprises businesses: secure services of a microenterprise support organization experienced in providing/administering small business/micro-enterprise financing programs.

There will be no deadline for application but funds will be awarded to the first eligible projects and until all set-aside funds are exhausted.

**\*Entitlement communities**, those who are receiving direct CDBG allocation from HUD, within Oregon are: Oregon tribes, urban cities (Albany, Ashland, Beaverton, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem, and Springfield), and counties (Clackamas, Multnomah, Washington).

**E. SBMA Performance Requirements:**

This NOFA is for services to non-entitlement cities and counties throughout Oregon. These communities include most rural areas. Larger communities get federal CDBG funding directly\* from HUD and allocate it for their own region. So for all these programs, funding through Business Oregon CDBG grants are limited to those non-urban communities.

All activities must be completed and the Project Completion Report submitted within 12 months from contract execution with the department.

Recipient must complete activities that have the following results:

- One (1) low- to moderate-income job created/retained for every \$2,500 awarded to the applicant. Or,
- One (1) microenterprise for every \$10,000 awarded to the applicant.

Small Businesses and Micro-Enterprise Assistance Grant Program must meet the federal national objective of benefiting low- to moderate-income persons based on household size and income, 24 CFR 570.483(b)(2)(ii)(B). National objective compliance is based on the actual number of persons served by the microenterprise or jobs created/retained by small businesses/microenterprise grant assistance program.

Definitions:

- Microenterprise means a commercial enterprise that has five (5) or fewer FTE, including one (1) or more who owns the enterprise
- Small Business means a business that is independently owned and operated and which is not dominant in its field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA).

**F. SBMA program implementation criteria:**

Written procedures identifying how the low and moderate income national objective will be complied with, how an application will be processed—awarded, monitored, maintained, and reported throughout the project, which must include procedures for identifying (including how services will be limited to those eligible businesses who are low- and moderate-income microenterprises/benefiting low- and moderate-income jobs (retained/created), which will document that the National Objective will be met):

- Eligible Businesses
- Those immediately impacted by the public health restrictions
- Were generally stable/strong prior to the crisis
- Employ low- moderate-income individuals
- Must have been in business for a minimum of one year
- Be a microenterprise (five or fewer employees, owner is low-moderate income)
- How applicants will be screened for eligibility:
  - Location of business to not be residing within an entitlement area; and
  - [Affidavit of No Duplication of Benefit](#) (when a beneficiary receives assistance from multiple sources at the same time and for the same purpose), Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).
  - sample of [MicroEnterprise Income Self-Certification form](#)

**G. Federal Requirements**

The Community Development Block Grant (CDBG) Program is subject to many federal requirements that cover a wide range of activities. Some of the requirements are briefly summarized within Chapter 4 of the most current *Method of Distribution*. More detailed information can be found in the *Grant/Project Management Handbook* and other resources available from Business Oregon. The [CDBG Grant Management Handbook](#) (2017 Edition) or most current edition, can be found on the department's website.

Business Oregon encourages potential applicants to review the *Grant Management Handbook* prior to committing to submit an application in order to familiarize themselves with the wide array of program requirements.

Some of the requirements will be checked by Business Oregon during application review; others will be verified when grant projects are monitored. Below are the requirements that would be reviewed with the application.

- Public Hearings:  
Applications from jurisdictions that fail to comply with the citizen participation requirements will not be accepted. Applicants must use the required first public

notice included in Chapter 6 of the *Method of Distribution*. The first public hearing notice must be advertised or posted at least 5 full days in advance of the time the public hearing is to be held by the local government.

The local government must provide for a minimum of two public hearings, each at a different stage of the project, for the purpose of obtaining citizen's views and responding to proposals and questions. Together, the hearings must cover community development and housing needs, development of proposed activities and a review of program performance.

The public hearing to cover community development and housing needs must be held before submission of an application to the state. There must be reasonable notice of hearings and they may be held virtually that allows opportunity for people viewing to provide comments at the time of hearing, and must also provide accommodations for the handicapped. To meet the reasonable notice requirement the first public hearing notice must be advertised or posted at least 5 full days in advance of the time the public hearing.

- Environmental Review:  
Recipients are required to obtain appropriate environmental clearances for their project and to maintain an "environmental review record" for each project. More detail on how to comply with these requirements and the necessary forms are contained in Chapter 3 of the *Grant Management Handbook*.

The grant recipient shall not commit/obligate or expend funds on any project activity before completion of the appropriate level of environmental review, and when applicable, the approval by the state of a Request for Release of Funds (RROF). This restriction applies to all project funds, even non-CDBG funds in the project.

#### **H. Sub-grantee Criteria**

The city or county grant recipient must enter into a sub-grant agreement with an eligible nonprofit organization to implement and carry out the small business and microenterprise activities. All federal CDBG compliance requirements assigned to the (sub-grantee) eligible non-profit remain the obligation of the original city/county funding recipient until administrative closeout of the CDBG grant with the state. No formal procurement process is necessary by the city or county when the funding recipient sub-grants the funds to an eligible non-profit.

The nonprofit must meet the following requirements of a sub-grantee by the department:

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized under 501(c)(3) or (c)4 of the IRS Code.
- Documentation that the organization serves the development needs of the communities in the non-entitlement areas of the state and is carrying out a neighborhood revitalization, or community economic development in accordance with 105(a)(15) of the HCDA.
- Provide a copy of their reasonable accommodation policies.

- The sub-granted nonprofit must comply with all CDBG requirements.
- Documentation the sub-grantee has experience with providing small business and microenterprise assistance.

At the time of application the city/county must provide copies of the following documents from the sub-grantee:

- Documentation of the screening procedures, forms and policies used to determine if the beneficiaries of the small business/microenterprise activities are entitlement or non-entitlement residents.
- Documentation that ensures that CDBG funds are only benefitting non-entitlement residents.
- Documentation on reporting job creation/retention
- Clear purpose of the need from the business (covering what activity for what period)
- Duplication of Benefit Affidavit
- No conflict of interest Affidavit
- Application that will be used to determine need based income eligible and impact of COVID-19

## II. Application Instructions

### A. Application Deadline

The funds will be distributed on a first come first serve basis until all funds are exhausted.

### B. Electronic Submission

The application process are as follows:

- [Pre-Application](#)
- Pre-application will be reviewed by the Regional Development Officer for the area of the applicant and CDBG Team for preliminary eligibility review.
- Application will be invited and link to the application will be provided by the Regional Development Officer.

### C. Application Questions

For questions regarding the NOFA or use of funds please contact your [RDO](#) or the CDBG Team at Business Oregon.

### D. Eligible Applicant:

Non-entitlement cities or Counties

### E. Federal Requirements:

The Community Development Block Grant (CDBG) Program is subject to many federal requirements that cover a wide range of activities. Some of the requirements are briefly summarized within Chapter 7 of the *Method of Distribution*. More detailed information can be found in the *Grant/Project Management Handbook* and other resources available from Business Oregon. The [CDBG Grant Management Handbook](#) (2017 Edition) or most current edition, can be found on the department's website. Business Oregon encourages potential applicants to review the *Grant Management Handbook* prior to committing to

submit an application in order to familiarize themselves with the wide array of program requirements.

### III. Application Review Process

#### A. Eligibility Prescreening Review

The department will review applications to determine if they meet the eligible criteria listed above. Each Application must be able to document in detail how the sub-grantee will document the effects of COVID-19 on small business and/or microenterprises. The application lists all the attachments that will be required to determine eligibility. If the application is incomplete the applicant will be contacted by Business Oregon and will be given five business to provide the complete information in order to complete the review and eligibility process. If the applicant does not respond within the allotted time Business Oregon may send a notice of application withdrawal.

The prescreening criteria are:

- All application threshold documents must be submitted by the application deadline.
- Application documents must be uploaded with the application to be considered eligible applications.
- An Applicant must meet all requirements as set forth in III. General Information, D. Eligible Applicant Organizations; and
- An Applicant must not be an ineligible applicant organization as set forth in III. General Information, E. Ineligible Applicant Organizations.

#### B. Awards

Once the application has been reviewed for completeness and eligibility the applicant will receive a letter informing them of the award, Business Oregon will create a contract for execution of the activity. It is important for the applicant to remember **do not expend any funds until the contract is signed and the environmental process is complete.**

### IV. Link of Resources

- [Pre-Application](#)
- [2020 Method of Distribution, including Chapter 15](#)
- [2017 Grant Management Handbook](#)