



Program Guidelines and Instruction Manual FY 2022

Application Deadline: November 8, 2021 11:59PM EST

Virginia Department of Housing and Community Development

600 East Main Street, Suite 300

Richmond, VA 23219

(804) 371-7171



Virginia Small Business Resiliency Fund (VSBRF)

The economic slowdown associated with the COVID-19 pandemic disproportionately impacted small and micro businesses, with those owned and operated by women, people of color, and immigrants experiencing the highest rates of closures. It also highlighted the fact that many of the sectors that were the most impacted do not have access to the financial and banking resources that will allow them to build a resilient business, whether by staying open, reopening, or expanding.

The Virginia Small Business Resiliency Fund (VSBRF) was created to provide a funding stream that is both highly targeted and highly flexible so that dollars reach those that need assistance the most and to enable the broadest impacts. VSBRF also seeks to build capacity in the institutions administering those dollars to create programs and products that meet the specific needs of underserved COVID-19-impacted businesses. Through grants made to existing Community Development Financial Institutions (CDFIs) and emerging CDFIs, the VSBRF goals include:

- Serving small businesses adversely impacted by the COVID-19 pandemic, with an emphasis on those sectors which have been disproportionately impacted or have been economically disadvantaged historically
- Increasing economic activity in distressed communities around the Commonwealth, and
- Increasing the capacity of the CDFI sector to serve these target markets in Virginia

AVAILABLE FUNDS

VSBRF has \$9.7 million available to make awards in the following categories:

- Planning Grants : Emerging CDFIs that are pursuing U. S. Treasury Certification as a Community Development Financial Institution can apply for funding of up to \$50,000 to defray expenses associated with the Certification process, including hiring a consultant to write the application.
- Capacity Building Grants: Both emerging and existing CDFIs may apply for funding up to \$100,000 to support the outreach, research, and development necessary to determine appropriate target markets, target populations, and financial products and services to meet the program priorities.
- Financial Products and Services Grants: Grants to existing CDFIs should directly benefit investment in, and technical assistance to, small businesses and entrepreneurs, per the Fund goals and priorities. Products and Services should be based on identified market demand, identified resource gaps, and support local and regional asset-based economic development strategies. These grants will be capped at \$2,000,000.

Emerging CDFIs applying for Planning and Capacity Building can receive a total of \$150,000.

ELIGIBLE APPLICANTS



To be eligible for VSBRF, entities must be a CDFI or an emerging CDFI as defined and certified by the United States Department of Treasury. Applicants must be able to document each of the following:

- That the organization is certified by the United States Department of the Treasury as a CDFI as of the date of application to the VSBRF, or that it is an emerging CDFI working towards this certification
- An established history of commercial lending
- An established history of lending in Virginia

PROGRAM and FUNDING PRIORITIES

To further the stated goals of the VSBRF, successful applications must address the following program priorities, how each priority will be furthered by the proposed program design, and how VSBRF funds will be deployed or leveraged for maximum impact.

1. Expansion of services into un- or underserved geographies, demographics, and business sectors with a focus on those disproportionately impacted by the COVID-19 pandemic.

Funded applications must show that proposed activities and lending products represent an expansion of services to a population that is not currently being served by the applicant organization. Specifically, expanding programs, products, and services should address populations that are underbanked and not by traditional banks and financial institutions, such as small, women, minority, or immigrant owned businesses.

2. Timely deployment of dollars or resources.

Funds are intended, in part, to build capacity and provide security and leverage for the recipient financial institution. Competitive applications will be able to clearly describe how the grant is directly responsible for increasing the capacity for them to get more capital into their community. However, the goal for grant funds is to provide timely support to historically underserved businesses and entrepreneurs and those sectors that have been disproportionately impacted by the COVID-19 pandemic. Programs, products, and services must ultimately provide direct support to the target population and target markets, leading to positive outcomes in the sector.

3. Expansion of technical assistance, services, and lending products.

Funded applications must show that proposed activities and microfinance/small business products represent an expansion of services to the target populations and target markets. Specifically, how it would allow the financial institution to provide a wider range of products and services to better serve the unique needs of small businesses.

4. Capacity building within the Virginia CDFI ecosystem.

CDFIs play an important role in generating economic growth and opportunity in the most distressed communities. It benefits the overall health of Virginia's economy to have a healthy and thriving mission-driven, microfinance/small business sector.



ELIGIBLE ACTIVITIES

DHCD seeks to create a program that is both flexible and targeted, allowing the Financial Institutions that receive grants to develop programs and products that are responsive to the unique needs of the communities they serve. Tailoring programs that meet needs of small businesses that are owned and operated by women, people of color, and immigrants while addressing the VSBFRF goals and priorities can be accomplished through a combination of activities. These funds will be dispersed in 2 ways:

Emerging CDFI: Planning and Capacity Building

Grants to emerging CDFIs for building capital, internal, and sector capacity are available.

Certification Technical Assistance and Planning

- Organizations that are pursuing U. S. Treasury Certification as a Community Development Financial Institution can apply for funding of up to \$50,000 to defray expenses associated with the Certification process, including hiring a consultant to write the application.
- **Anticipated grant outcome:** A documented plan to apply to the U. S. Treasury Certification as a Community Development Financial Institution

Capacity Building

- Organizations may apply for funding up to \$100,000 to support the outreach, research, and development necessary to determine appropriate target markets, target populations, and financial products and services to meet the program priorities
- Capacity Building grants can use funding to support staffing, in addition to administrative expenses.
- **Anticipated grant outcomes:** Well-researched and effective planning documents that fully describe local or regional business development strategies that can be implemented to increase small business start-up and expansion, job creation and economic diversity in distressed communities or populations. Use Appendix B.

Emerging CDFIs applying for Planning and Capacity Building can receive a total of \$150,000.

Existing CDFIs: Financial Products and Services for existing CDFIs

Funding received through the VSBFRF should directly benefit investment in, and technical assistance to, small businesses and entrepreneurs, per the Fund goals and priorities. Products and Services should be based on identified market demand, identified resource gaps, and support local and regional asset-based economic development strategies.

Financial Products and Tools including, but not limited to:

- Microfinancing/small business options
- Loan loss reserve funds
- Credit enhancements



- Long term, low interest loans with flexible payment options
- Creating an Individual Development Account (Matched Saving program)

Support Activities including, but not limited to:

- Technical assistance to small businesses and entrepreneurs
- Increasing awareness of the CDFIs to the targeted communities, including translation services and marketing activity
- Support staffing of positions for program implementation and deliver Technical Assistance
- **Anticipated grant outcomes:** Dollars to be deployed to the community; Small business start-up or expansion and job creation, etc. Use Appendix B.

GRANT SELECTION

Grant applicants are scored on a 0-100 point scale. Grant funds are limited and only those proposals exceeding the minimum 80-point threshold will be considered for funding. Those applications with the highest scores will be considered first, until all funding is exhausted.

The project scoring methodology is as follows:

Scoring Criteria	Points
Program Design	30
Efficient Use of Resources	20
Capacity	20
Alignment with Program and Funding Priorities	30
Total	100

- Extra Credit points may be earned. See Appendix C.

FUNDS ACCESS

Once successful projects are notified of award, a Contract between DHCD and the grantee outlining deliverables, conditions, fund disbursement, and termination must be executed before any funds are disbursed. Funds may only be used for expenses incurred after the signing of the contract. Leverage, deployment, activities, and outcomes must be documented with each program grant remittance and reported as part of the final report.

GRANT FUND TIMELINE

DHCD will offer a virtual How-to-Apply Workshop on **October 7, 2021**, which will be recorded, saved, and published. Prospective applicants are also encouraged to reach out to DHCD staff as soon as possible to discuss proposal development.



Register your Organization in CAMS (**see below)	ASAP
Application Submittal Deadline	11: 59 pm. November 8, 2021
Application Review	November 2021
Anticipated Award Announcement	January 2022
Successful Projects Under Contract	February 2022

Use of funds must be completed in a timely manner:

- All Planning and Capacity Building grants must draw down all funds in 9 months and all activities must be completed within 12 months of the signed contract.
- All Financial Products and Services Grants must draw down all funds in 18 months and all activities must be completed within 24 months of the signed contract.
- Quarterly reporting in CAMS on activities will be required throughout the program period and for a period of up to 24 months after the final disbursement.

SUBMISSION REQUIREMENTS

Applications for funding must be submitted through DHCD’s Centralized Application Management System (CAMS). You can access CAMS using the following link:

<https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>

All grant applications and supporting documentation must be submitted in CAMS by 11:59 p.m. on **November 8, 2021**. Applications not submitted accordingly may be disqualified.

Technical support with CAMS is available weekdays Monday-Friday between 8:30 a.m. and 4:30 p.m. Applicants must submit completed responses to all appropriate questions and include all required attachments.

Google Chrome is the recommended browser for CAMS. Remember to SAVE often.

In order to access CAMS and complete an application for funding, the applicant must establish a CAMS profile. A profile request can be made by going to the CAMS site and selecting the “**Registration**” option. In order to register your organization, you will need your organization’s DUNS number and FEIN number. Please allow up to five business days for DHCD to process and approve your registration request.

Once your organization has been registered, you may log in with your username and password and select the “**Applications and Programs**” option. From this page, select the “**Apply**” option and select the program from the dropdown menu. A description of the program will appear. Click the “**Apply**” button next to the pencil icon to begin an application.

As you complete the application, be sure to save each page. You have the option to close out of CAMS and return to the application at any time until the application is submitted or the deadline has passed.



If you need assistance with the registration or completion of the application in CAMS, please send an email request to the CAMS help team through the “**contact us**” link at the bottom of every page in CAMS. Someone will contact you as soon as possible to provide needed assistance.

AUDIT REQUIREMENTS

DHCD has instituted an agency-wide audit policy. All grantees that receive funding during a specific program year are required to submit financial documents or audits in accordance with the agency policy.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at: http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf

APPLICATION SUBMISSION

The application in CAMS will require the organization to complete each tab:

1. Applicant Information (narrative of not more than 1000 words):

- a. Primary point of contact and program team;
- b. Summary of Business or Strategic Plan should provide a detailed narrative, including discussion on mission, markets served, competition, targeted regions and clients, organization infrastructure and resources to support ongoing activities, management team, and strategic plans.
- c. Attachments
 - i. Business or Strategic Plan
 - ii. Existing CDFIs need to provide proof of current federal CDFI Certification and/or recertification

2. Program Information (narrative of not more than 1000 words):

- a. Identify any proposed new target markets and target populations that will be served by the funds;
- b. Identify any proposed new financial activities and services that will be undertaken with the funds;
- c. Describe how this effort will mitigate the economic impact of the COVID-19 pandemic. Describe the level of distress of the impacted community or new market that is being served. Below are some examples of indicators that may help quantify the level of distress that underserved entrepreneurs are experiencing.
 - i. Geography
 - ii. Unemployment Rate
 - iii. Poverty Rate
 - iv. Industries impacted
 - v. Number of business licenses issued
 - vi. Fiscal stress
- d. How does this differ from past target markets, target populations, and financial activities and services? Does this represent an expansion for your organization?
- e. How will this project or program support the organization’s bottom line?
- f. Will these funds be recycled for continued use? If so, how?



- g. Provide a plan to coordinate use of assistance from the VSBRF with existing Federal and local government assistance programs, and/or private sector financial services;
 - h. A plan for marketing and outreach to target populations;
 - i. A timeline for each activity noted
 - j. Attachment(s)
 - i. Appendix A – Program Summary
 - ii. Appendix B -Financial Product and Services applicants. Use Appendix B to itemize the outputs and outcome you are anticipating to achieve in this grant cycle.
 - 1. Applicants can modify Appendix B to provide a more accurate description of the Outcomes the Project will have on businesses owned and operated by women, people of color, and immigrants
 - 2. Additional reporting documents may be attached
- 3. Budget Information (narrative of not more than 1000 words):**
- a. Provide detail on how the budget was derived
 - b. Activities, lending, or technical assistance, that will be funded by the VSBRF dollars
 - c. Provide detail on existing funds, products, or services that will be leveraged or securitized as a part of the proposal
 - d. If applicable, provide a plan to keep funding for continuous implementation after the VSBRF funds are exhausted.
 - e. Proposed draw down schedule
 - f. See Sample Budget for items that can be listed on the submitted Budget. You are not required to attach this Sample Budget to your final application.
- 4. Additional Information:** This is not necessary to complete, but if you have additional information to describe or share that was not asked in the application, please include it here.
- a. A Work Plan Template has been provided to help you prioritize your task and demonstrate how they relate to your staffing and partnerships. You are not required to attach this Work Plan Template to your final application.

AWARD and CONTRACT

Successful applicants will be required to sign a contract committing them to the program, project, and activities outlined in the application. At the time of contract negotiations, the grantee will be required to submit a more detailed program design, based on their application, including projected outcomes and impacts. Required documents may include, but not be limited to:

- Loan/Fund Manual with detail
- Financial Activities work plan with detail
- Staffing detail



DEFINITIONS

For the purposes of this application for funding the following words or terms shall mean as follows:

A. Small Businesses

A small business shall be deemed to be one which is resident in Virginia, independently owned and operated, not dominant in its field, and has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Entrepreneurs that are starting a business are also eligible. Grant funds that are being deployed directly to entrepreneurs can be used for working capital.

B. Emerging CDFI

An emerging CDFI is an organization that has yet to earn CDFI certification. Community Development Financial Institution (CDFI) Certification is a designation given by the CDFI Fund to specialized organizations that provide financial services in low-income communities and to people who lack access to financing. Emerging CDFIs must demonstrate that they have the ability to become a certified CDFI within three years of receiving a Technical Assistance grant.

C. SWaM

The Small, Women-owned, and Minority-owned Business (SWaM) certification program is a state program of the Commonwealth of Virginia. The purpose is to enhance procurement opportunities for SWaM businesses participating in state-funded projects.

D. Underbanked

The term underbanked refers to individuals or families who have a bank account but often rely on alternative financial services such as money orders, check-cashing services, and payday loans rather than on traditional loans and credit cards to manage their finances and fund purchases. This may be because they lack access to convenient, affordable banking services or because they need or prefer to use alternatives to traditional financial services.

E. Ecosystem

The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each stage of growth. As a result, the whole is greater than the sum of its separate parts

F. Technical Assistance

Business technical assistance is provided to an entrepreneur, bank challenged and otherwise underserved individuals to address ongoing or specific challenges or needs, such as financial literacy, financial counseling, the development of a business plan or the resolution of a production or marketing problem. When a business is in formation, monitoring will help define specific and/or ongoing needs early. This assistance often is on a one-to-one basis in a consulting format.



Technical assistance may also be provided to assist clients in obtaining SWaM and DBE Certification.

G. Capacity Building

Capacity building is defined as the provision of technical or material assistance designed to strengthen one or more elements of organizational effectiveness. The elements of organizational effectiveness include governance, management capacity, human resources, financial resources, service delivery, external relations and sustainability. Examples include the purchase of software, training of staff, conducting research studies for expansion or growth and marketing.

ADDITIONAL RESOURCES

1. Small Area Income and Poverty Estimates (SAIPE) Program:
<https://www.census.gov/programs-surveys/saipe.html>
2. Report on Local Vulnerability Analysis:
<https://www.dhcd.virginia.gov/sites/default/files/Docx/clg/fiscal-stress/local-vulnerability-report.pdf>
3. Virginia Employment Commission: <https://www.vec.virginia.gov/>



APPENDIX A : PROJECT SUMMARY SHEET

VSBRF PROJECT SUMMARY SHEET

Part 1: Project information

Project Name	
Applicant Name	
Applicant Address	
Applicant Mission	
Applicant Asset Size	
Years Certified (existing CDFIs)	
Synopsis of Project	
Current Financing Tools	
Gap this Project is filling	
List proposed Outcomes	
Total Project Budget	
VSBRF Request	
Intended Use of VSBRF Funds	
Dollars Leveraged	

Part 2: Required Documentation

- Appendix A: Project Summary Sheet
- Appendix B: Outcomes template
 - CDFIs also may attach reports they provide to the CDFI Fund for Annual Certification
- Business or Strategic Plan
- Existing CDFIs need to provide proof of current federal CDFI Certification and/or recertification

Part 3: Additional Resources:

- Small Area Income and Poverty Estimates (SAIPE) Program: <https://www.census.gov/programs-surveys/saipe.html>
- Report on Local Vulnerability Analysis: <https://www.dhcd.virginia.gov/sites/default/files/Docx/clg/fiscal-stress/local-vulnerability-report.pdf>
- Virginia Employment Commission: <https://www.vec.virginia.gov/>

Appendix B: Outcomes Template (for Financial Products and Services Grants)

Title of Project: _____

<i>Output Measures</i>		
<i>Performance Measure</i>	<i>Goal/Target</i>	<i>Definition</i>
# of Borrowers		Borrowers include persons that utilize a program supported by the VSBRF grant as loan funding.
# of Hours of Technical Assistance		List the TA vehicle (counseling, classes, completed business plans) that participants have access to and list the anticipated number hours your team will provide for each.
# of Loans provided		Loan for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment. Please distinguish between loan and Microloans (up to \$50,000), if applicable.
Value of Loans		Total value of the microloans that are anticipated or have been completed
# of Alternative Financing Deals provided		Alternative Financing is from non-traditional sources, (if applicable)
Value of Alternative Financing Deals		Total value of alternative financing deals anticipated or have been completed
Add any other Performance Measures		
<i>Outcome Measures</i>		
# of net new full-time-equivalent jobs		Full-time equivalent equals the number of jobs that equal 40 hours of work per week. New jobs are those that have not been transferred or held previously.

# of existing jobs retained		Retained jobs are those that would have been transferred or laid off, had the financing/improvements not been made.
# of new businesses created		Defined as a new business opportunity to include products or services
# of Businesses expanded		A business that has increased substantially in revenue, job creation or opened an additional location
# of Businesses retained		A business that would have been lost or closed, had the financing/improvements not been made.
Total private investment		Investment from any private source include loan funds
Total public investment		Investment from any public source including local, state or federal
Add any other Performance Measures		

APPENDIX C: EXTRA CREDIT SHEET

<p>Is your project committed to including SWAM certified contractors/sub-contractors for this project?</p>	
<p>How is the applicant going to diversify its funding streams that will enable programs to continue past this grant cycle?</p>	
<p>Has the applicant described how they are leveraging other sources of funding or revenue? Does this proposal include one or more communities that have a special district and are those resources being leveraged? Special districts include: Designated Main Street districts; local, state or federal historic districts; redevelopment or blight removal districts; technology zones; tourism zones; opportunity zones; etc.</p>	
<p>Is this application a collaboration between 2 or more organizations? If so, how will this collaboration contribute to the success of the initiative?</p>	

Sample Budget Template

Title of Project: _____

Project Activity	SOURCE OF FUNDS					TOTAL
	A. VSBRF	B. _____	C. _____	D. _____	E. _____	
1. Administration						
2. Capacity Building						
3. Contract Services						
4. Financial Assistance						
5. Funding Deployed						

6. Marketing and Promotion						
7. Meetings and Facilitation						
8. Loan Loan Reserves or Pass Through						
8. Other						
TOTAL						

Sample Work Plan Template

Goal(s): _____

Project Description: _____

Event date or Project Completion date: _____

Anticipated Results/Measure of Success: _____

Chair/Person Responsible: _____ Phone: _____ E-mail: _____

Project Team Members _____

<i>Tasks</i>	<i>Person Responsible</i>	<i>Start and End Date</i>	<i>Cost</i>	<i>Revenue Generated</i>	<i>Volunteer Hours Needed</i>	<i>Staff Hours Needed</i>	<i>Progress/Completion/Comments</i>

TOTAL: \$ _____ \$ _____