City of Redmond Small Business Resiliency Grant

From: Kristina Hudson, OneRedmond

To: Philly Marsh, City of Redmond

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RE: Proposal for Redmond Small Business Resiliency Grant

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Background and Research

With the likelihood of limited future grant opportunities for businesses in Redmond, due diligence was conducted to understand how best to leverage this grant opportunity to equitably educate and empower businesses to understand and access programs to strengthen their business.

OneRedmond staff conducted calls with representatives from the cities of Bellevue, Newcastle, and SeaTac which leveraged ARPA funding to support small business needs to understand how their programs were structured. Staff also conducted a call with the Washington State Department of Commerce to learn more about the State Small Business Credit Initiative (SSBCI) that will launch five capital access programs for small businesses. Programs include a Micro and Small Business Loan Fund, a Revenue-based Loan Program, and other programs aimed at broadening access to capital for small businesses. In addition, Commerce's Small Business Resilience Network (SBRN) is also working on a Credit Building Pilot Program to provide capital to build credit for small businesses and entrepreneurs.

Staff learned that access to capital remains a key challenge for many small business owners. This coupled with the lack of understanding and financial education needed to access existing and new loans programs is a key barrier for all businesses, in particular our minority-owned businesses.

The small business grant program provides cash grants along with an introduction to financial education and capacity building programs available to small businesses. This helps to ensure that even after the grant benefit, there will remain a connection to resources and programs to assist. All eligible small businesses can apply regardless of industry.

Eligibility Criteria:
- 10 or fewer FTEs
- Businesses must have been in operation prior to April 2020 (with the same ownership) and must be currently operational.
- Businesses must have minimum gross receipts or sales of $12,000 in 2019 (or 2020 for businesses that opened in 2020)
- Businesses must have $4 million or less in annual gross receipts or sales in 2019 (or 2020 for businesses that opened in 2020)
- Business must show financial impact from the COVID-19 pandemic.
- Business must be physically located in the 98052 zip code
- Business must have a valid City of Redmond business license and must currently be in business.
- Businesses must have a valid UBI and EIN/TIN. Tribal member-owned businesses without a UBI may provide alternative business validation such as a license or registration with a federally recognized tribal nation in Washington State.

- Business must generate at least 51% of revenue in Washington state (i.e., be an "in state" business).
- Businesses must have a Unique Entity Identifier (UEI) to receive federal grant funds.
- Business must be independently owned and operated.
- Business must not have permanently closed or intend to permanently close in 2023.
- Business must have expenses that are necessary to continue business operations (i.e. payroll, rent, etc.). Expenses cannot be a federal, state, or local tax, fee, license, or other government revenue.
- Previous grant recipient information– applicants must self-attest to whether they previously received a grant from a city, county, state or private source. Priority will be given to businesses who have been left out of previous opportunities.
- Provide a W-9
- Nonprofits are not eligible for this grant opportunity.

Selection Process
- OneRedmond staff reviews each application as it is received to verify eligibility requirements.
    - Staff will follow up with applicants whose applications are incomplete and work with CBO partners where appropriate to assist in obtaining the required information by the stated deadline.

- Lottery
    - Eligible applicant data will be sent to an external bookkeeping/accounting organization.
    - External organization will inputs applicant names into a system and runs a formula that randomly selects awardees

- If an initial grantee declines the grant, the next number/name on the list will be notified as a grant recipient.

CBO Engagement
OneRedmond will provide funding and technical assistance to applicable Community Based Organizations (CBOs) to market this grant opportunity; to assist in the application process for members of their community; and to develop initial programming with the CBOs focused on an introduction to financial capacity building. Technical assistance may include briefings and trainings with the CBO workgroup on the program, translated materials, and coordination of in-person/one-one-one assistance. CBOs will be selected based on input from the City of Redmond and the common languages spoken in the city.

This grant opportunity provides the opportunity to incentivize business owners to learn more about the financial resources and other mechanisms of funding including loan products available. Experienced business owners who have successfully accessed capital through other financial products will be invited to share their experience and wisdom with participants.

Budget
- 100 cash grants of $5,000 per grant ($500,000)
- Administration and program development ($50,000)
- Community Based Organizations Subcontracts ($20,000)

Proposed Timeline

Week 1-2	Review program with CBOs and key stake holders
	Design and develop application
	Design marketing materials
	Develop a calendar of key dates
Week 3	Work with CBOs on outreach plan and educational programming
	Review portal and application with CBOs for any final questions
Week 4-8:	Application is launched and marketing outreach begins
	Host English webinar and separate in-language CBO programs, and in-person technical assistance sessions
	As applications are received, they are reviewed and follow up is conducted as needed.
Week 9:	Application closes. Data provided to external consultant for lottery to ID recipients.
Week 10:	Notify awardees and procure documents from grant recipients.
Week 11-12:	Disperse funds.