

# One Buncombe Small Business Grants

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*RFP for Coronavirus State and Local Fiscal Recovery Funds*

## *Buncombe County Service Foundation*

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# Application Form

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## *Question Group*

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Buncombe County requests proposals for projects to help the community recover from and respond to COVID-19 and its negative economic impacts.

Buncombe County has been awarded \$50,733,290 in Coronavirus State and Local Fiscal Recovery Funds (Recovery Funding), as part of the American Rescue Plan Act. This infusion of federal resources is intended to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Buncombe County is committed to investing these funds in projects that:

- Align to county strategic plan and community priorities
- Support equitable outcomes for most impacted populations
- Leverage and align with other governmental funding sources
- Make best use of this one-time infusion of resources
- Have a lasting impact

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

[Click here for the full terms and conditions of the RFP](#)

## **Coronavirus State and Local Fiscal Recovery Funds\***

Name of Project.

One Buncombe Small Business Grants

## **Amount of Funds Requested\***

\$500,000.00

## **Recovery Fund Eligible Category\***

Please select one:

Small business and non-profit support

## **Brief Project Description\***

Provide a short summary of your proposed project.

One Buncombe is a community COVID-19 response fund. In the early stages of the pandemic, this public-private partnership enabled just-in-time economic support to help families and businesses stay afloat until longer-term relief, such as federal grants and loans, became available. Now as we move into pandemic

recovery, another infusion of support is needed for many small businesses. These grants will offer assistance to small businesses facing closures or revenue loss or implementing new safety measures.

## Project Plan\*

Explain how the project will be structured and implemented, including timeframe.

These One Buncombe grants are focused on providing relief to highly impacted businesses that have had difficulty accessing or qualifying for other relief programs.

Buncombe County will partner with a community development financial institution (CDFI) to administer the program. Their role will be to promote the program, accept applications for a set period of time, process applications, fund grants per the guidelines, and report fund progress.

This is intended to be a quick and responsive relief program, and the goal is to fund grant awards to businesses within 3 months of Recovery Funding award, including time for marketing/promotion, application period, review and award timeframe.

Award amounts:

- maximum grant award of \$2,500 for entities with only 1 employee retained or rehired (e.g. sole proprietorships)
- maximum grant award of \$5,000 for entities with more than 1 employee retained or rehired

Preference will be given to businesses that:

- Have a strong plan for growing the number of full time employees (FTEs) employed
- Can clearly demonstrate revenue reductions due to the pandemic
- Businesses that couldn't qualify for Paycheck Protection Program (PPP) or other major relief programs

In order to be eligible, a business must:

- be a for-profit business based in Buncombe County
- have less than 25 full time employees
- be able to demonstrate that the grant award funding will enable it to retain or rehire positions (Just Economics 2020 living-wage standard or better)
- be able to retain staffing levels at the time of application for at least 6 months
- agree to have their business name and grant amount released publicly

Equity targets:

- Not less than 20% of funding to businesses owned by people of color
- Not less than 50% of funding to women-owned businesses
- Not less than 25% of funding to sole-proprietorships, single-member companies, or other entities with only one employee

## Statement of Need\*

Describe the need that this project will address. Include data to demonstrate the need, and cite the source of the data.

COVID-19 had a profound impact on small businesses. These impacts included business closures, declines in revenue, and increased expenses for personal protective equipment (PPE). Despite relief such as previous rounds of One Buncombe and other programs such as the Small Business Administration's PPP funding, the need for small business relief remains great.

This need has been identified and quantified in a recent local survey which found the following:

- 66% of Western North Carolina (WNC) businesses have not recovered to pre-pandemic revenue levels.
- For Buncombe County Historically Underutilized Businesses (HUBs), 80% report revenues below pre-pandemic levels.
  - For Buncombe County women-owned businesses, 70% report revenues below pre-pandemic levels.
  - 25% of WNC businesses describe their businesses' financial status as "Very" or "Somewhat" financially challenged.
    - For Buncombe County HUBs, 31% are "Very" or "Somewhat" financially challenged.
    - For Buncombe County women-owned businesses, 33% are "Very" or "Somewhat" financially challenged.

In order to meet these needs, additional business relief is needed for all businesses, but in particular, the arts, restaurant and gym industries which were most impacted by continued COVID-19 closures. Debt-laden businesses are seeking grant opportunities to support debt service. These funds can also be used for retention/rehiring, pivot to online marketing/sales, and other sustainable models. Additional emphasis is also needed on demographics that have been severely impacted by COVID-19 including but not limited to Black, Indigenous and People of Color (BIPOC) and women-owned businesses.

In the most recent round of One Buncombe small business relief in March 2021, we made 116 grant awards. This was limited based on an available budget of \$500,000, however there were 279 grant applications. We believe that another round of \$500,000 can make a significant impact in addressing this unmet need.

### Link to COVID-19\*

Identify a health or economic harm resulting from or exacerbated by the public health emergency, describe the nature and extent of that harm, and explain how the use of this funding would address such harm.

This project responds directly to economic harm resulting from the pandemic. Throughout the pandemic, small businesses had to operate within unprecedented conditions that resulted in economic hardship.

Executive orders from the North Carolina Governor and public health orders from Buncombe County had a direct impact on businesses. These orders established mandatory closures, restrictions on operating hours, occupancy limits, social distancing, and sanitation requirements. In addition to experiencing declines in revenue, businesses took on increased costs such as PPE, signage, online access, implementing new safety measures, and expenses to transition to more sustainable models. Some industries were disproportionately impacted, such as venue-based arts & entertainment businesses, travel & tourism, and food-related businesses. Additionally, data has shown disproportionate impacts to populations including but not limited to Black, Indigenous and People of Color (BIPOC) and women-owned businesses. These industries and demographics will be prioritized in grant awards.

### Population Served\*

Define the population to be served by this project, including volume and demographic characteristics of those served.

One Buncombe has had two previous rounds of business relief: a loan program in 2020 during the early weeks of the pandemic; and a grant program in early 2021. The population served included highly impacted businesses that have had difficulty accessing or qualifying for other relief programs. Impact results from those phases are published at [www.onebuncombe.org](http://www.onebuncombe.org) including the following results:

- Total loans/grants made = 211
- Businesses with 5 or fewer employees = 159 (75%)
- Minority owned businesses = 66 (31%)

- Women owned businesses = 130 (62%)

## Results\*

Describe the proposed impact of the project. List at least 3 performance measures that will be tracked and reported. If possible, include baselines and goals for each performance measure.

The grants will support COVID-19 affected Buncombe County-based small businesses in their ability to retain and rehire employees.

Reporting measures include:

- # of applications
- # of grants made
- \$ value of grants
- grants by business size (1-5 employees, 6-10 employees, 11-15 employees, 16-20 employees, 21-24 employees)
- grants by job sector
- # of minority-owned businesses
- # of women-owned businesses
- # of jobs retained
- # of jobs rehired
- # of jobs added

Buncombe County's small business community can have a huge impact on creating an equitable recovery as evidenced by this data:

- o 55% are living wage employers
- o 47% utilize environmentally sustainable practices
- o 71% procure from other local businesses

## Evaluation\*

Describe the data collection, analysis, and quality assurance measures you will use to assure ongoing, effective tracking of contract requirements and outcomes.

In 2020, Buncombe County conducted a contract monitoring with Mountain BizWorks to assess compliance with contract terms. During the site visit, we interviewed staff and inspected documentation related to the operation of the One Buncombe program. They use several software tools throughout the process, including Loan Origination Management/Website (for client applications), Sales Force (for client management), Quickbooks (to record transactions) and Portful (for document management). A unique loan number is assigned to each loan and is consistent across the software applications. This gives the ability to effectively report on required program information, including both activities and outcomes.

## Equity Impact\*

How will this effort help build toward a just, equitable, and sustainable COVID-19 recovery? How are the root causes and/or disproportionate impacts of inequities addressed?

Equity is central to the One Buncombe program, and we are dedicated to providing this relief to small businesses most harmed by the pandemic.

When initially launching the program, we wanted the relief to most help the smallest businesses who often get left out of larger government relief programs (such as PPP), and we wanted the relief to go to historically underutilized businesses (owned by people of color and women). After the first round of relief, we conducted an equity analysis using a framework from GARE, the Government Alliance on Race and Equity. During this data review, we compared the service recipients with the community demographic.

- We found that 10% of businesses in the community are owned by people of color (designated as Minority 1BF), and that 29% of One Buncombe small businesses assisted in the first round were Minority 1BF.
- We found that 47% of businesses in the community are women-owned, and that 69% of One Buncombe small businesses assisted in the first round were women-owned.

This data told us that we were doing a good job reaching the intended audience, but we knew we still had work to do to increase accessibility. In response to feedback that a first come-first served application model does not provide equitable access, we switched to a fixed application deadline for the second round. And we assessed our outreach methods to ensure diverse methods of community engagement, including informal and relational information sharing methods in addition to formal marketing. We also ensured access by supporting Spanish and other language requests where needed to provide equal opportunity to speakers of languages other than English.

- In the second round of small business relief, 36% of One Buncombe small businesses assisted were Minority 1BF.
- This increased the overall percentage to 31% minority owned businesses across both rounds of One Buncombe small business relief.

## Project Partners\*

Identify any subcontractors you intend to use for the proposed scope of work. For each subcontractor listed, indicate:

- 1.) What products and/or services are to be supplied by that subcontractor and;
- 2.) What percentage of the overall scope of work that subcontractor will perform.

Also, list non-funded key partners critical to project.

Buncombe County will contract with a local Community Development Financial Institution (CDFI) to fully operate the program. Mountain BizWorks (MBW) operated the previous phases of OneBuncombe business relief, and if awarded we would seek to negotiate a contract for them to continue in that role.

MBW will be responsible for:

- quickly establishing the grant program
- promoting the program
- accepting applications for a set period of time
- processing applications and fund grants per the standardized guidelines
- reporting fund progress

Buncombe County will assist with promoting the availability of the grants as well as monitoring and publishing program results.

## Capacity\*

Describe the background, experience, and capabilities of your organization or department as it relates to capacity for delivering the proposed project and managing federal funds.

One Buncombe is a fund within Buncombe County Service Foundation. BCSF is the nonprofit arm of Buncombe County Government. As a 501(c)3 nonprofit organization, we are operated in close alignment with Buncombe County. We comply with federal and state guidelines for public charities, and we are operated consistent with financial management practices of local government. BCSF meets the blending requirements of Governmental Accounting Standards Board (GASB) No. 80. BCSF is audited and presented as a special revenue fund of the County and included in the County's Comprehensive Annual Financial Report (CAFR). The BCSF Board Treasurer is the Financial Officer for Buncombe County, and the administrative staff functions are managed by the Strategic Partnerships Office.

Our contracted partner is Mountain BizWorks (MBW), a nonprofit organization in good standing with the IRS, North Carolina Department of Revenue, and Buncombe County Government. As a Community Development Financial Institution, MBW is well experienced in and well equipped for managing federal funds.

## Budget\*

Provide a detailed project budget including all proposed project revenues and expenditures, including explanations and methodology. For all revenue sources, list the funder and denote whether funds are confirmed or pending. For project expenses, denote all capital vs. operating costs, and reflect which specific expenses are proposed to be funded with one-time Buncombe County Recovery Funds.

Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

One-Buncombe-Recovery-Funds-Budget.pdf

## Special Considerations\*

Provide any other information that might assist the County in its selection.

100% of Recovery Funds will go toward small business grants. Buncombe County Service Foundation has enough funding to cover the 5% administrative fee to be charged by the CDFI. BCSF will not charge any additional fees. A grant fund of \$500,000 would require \$26,316 in administrative fees, and we have an available balance of \$29,384. This balance was generated primarily by loan repayments from the 2020 One Buncombe small business relief program.

## File Attachment Summary

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### *Applicant File Uploads*

- One-Buncombe-Recovery-Funds-Budget.pdf

