



## **State of Oregon COVID-19 Emergency Business Assistance Matching Fund Request for Proposals**

### **Announcement**

The Oregon Legislature, in partnership with the Governor, allocated \$5 million from the State General Fund, which will be combined with \$5 million redirected from existing programs at Oregon, for the purpose of providing financial assistance to small businesses adversely affected by economic conditions associated with the COVID-19 pandemic that have not received federal emergency assistance under the federal CARES Act or other federal program for emergency pandemic funding.

Many small businesses in Oregon face cash flow shortfalls due to the economic conditions arising from efforts to reduce the number and severity of COVID-19 infections. Some businesses have been closed by executive emergency orders, while others have voluntarily closed or reduced operations to address health and economic concerns.

Many communities throughout Oregon are providing local assistance to small businesses, and this announcement provides up to a 1:1 match to augment these community-level assistance programs.

To fill gaps not reached by other programs, these state funds are directed to adversely affected businesses with 25 or fewer employees, and only those that have been unable to receive federal CARES Act funding, including the Small Business Administration's Paycheck Protection Program, Economic Injury Disaster Loan Emergency Advance program, or other federal programs for emergency pandemic funding to date. Businesses may use the proceeds for any business related operating expenses, particularly to support businesses that were closed as they move into the first phase of statewide reopening.

This announcement is for the third of three rounds of funding tied to this program. This round consists of \$2,500,000, available up to a 1:1 match to funds in community programs to provide emergency economic assistance to local small businesses. Awards will be made to public entities (cities, counties, economic development districts, council of governments) that have or will develop a community business assistance program in response to the COVID-19 crisis and are able to meet the parameters of this program.

Program awards made to public entities will be structured as forgivable loans. Forgiveness will be based upon a recipient's ability to meet the program values and priorities outlined below and in contract. Public entities will be required to make sub-awards from this program to eligible individual businesses as grants.

Awards for this round of funds will be based on a community program's ability to achieve the parameters, values, and goals of the program. If you have such a program that meets the state's program parameters, please submit a funding proposal.

**Proposals for this round of funding are due July 10, 2020 by 5:00 PM.**

## **Program Values**

- Ensure that historically disadvantaged individuals that own businesses have access to these funds.
- Ensure these funds are supporting the small businesses unable to access or apply for federal funds.
- Ensure that these funds are reaching every corner of Oregon.
- Ensure that these funds are keeping businesses operational.

## **Eligible Applicants**

Public entities (cities, counties, economic development districts, council of governments) that have or will develop a local business assistance loan or grant fund and are able to meet the parameters of this program as described below. Priority will be given to those public entities that were not allocated direct funding through the CARES Act.

If a community was successful in its application from the first round of funding for this program and has additional matching funds remaining, to be considered for this round of funding, submit an email stating the community's request to receive consideration in this round and attach a copy of the previous proposal submitted on or before May 18, 2020.

## **Local Program Funding Priorities**

Local assistance programs are expected to make one-time-only awards to businesses as follows:

- Businesses that have been adversely affected economically in one of the following two categories:
  - Those for-profit and non-profit (limited to 501(c)(3) corporations) businesses that were prohibited from operation as directed by Executive Order 20-12.
  - Those eligible for-profit businesses that can demonstrate a one-month decline in revenue greater than 50% in the month of March 2020 or April 2020 as compared against sales in the month of January 2020 or February 2020. Those non-profit businesses (limited to 501(c)(3) corporations) that can demonstrate a decline in revenue greater than 50% across the months of March 2020 and April 2020 as compared against the same period of time in 2019.
- Businesses with 25 or fewer employees.
- Businesses that have been unable to access federal CARES Act funds including:
  - Small Business Administration's Paycheck Protection Program (PPP);
  - Economic Injury Disaster Loan Emergency Advance program (EIDL); or
  - Other federal programs to date for emergency pandemic funding.

## **Ineligibility Factors**

- Passive real estate holding companies and others holding passive investments.
- Non-profit entities that do not have federal 501(c)(3) status.
- Businesses that are delinquent on federal, state or local taxes that were due before April 1, 2020.
- Businesses that do not comply with all federal, state and local laws and regulations. Businesses not headquartered and with principal operations in Oregon.
- Businesses not registered to do business in Oregon (Secretary of State Business Registry verification) if such registration is required.

## **Program Design**

Awards to eligible businesses will be made as a grant. The amount of the grant will be the greater of two figures based on an applicant's ability and desire to submit support documentation: the first based on the number of employees before the COVID-19 crisis (as of February 29, 2020); or the second based on the documented amount of fixed operating expenses for the 60 day period of January 1 through February 29, 2020:

- 0-5 employees
  - \$2,500, or
  - 60-day fixed expenses up to a maximum of \$5,000.

- 6-10 employees
  - \$5,000, or
  - 60-day fixed expenses up to a maximum of \$10,000.
- 11-15 employees
  - \$7,500, or
  - 60-day fixed expenses up to a maximum of \$15,000.
- 16-20 employees
  - \$10,000, or
  - 60-day fixed expenses up to a maximum of \$20,000.
- 20-25 employees
  - \$12,500, or
  - 60-day fixed expenses up to a maximum of \$25,000.

### **Program Award Targets**

The state will make awards to various local assistance programs designed to achieve geographical delivery across the state, with a target of at least 60% of awards reaching those in rural areas outside of the largest urban growth areas (see Award Process below). The state has set a target of 50% of these funds to be awarded to sole proprietors, where possible, by the local assistance program. The state will encourage outreach to historically disadvantaged population groups. The funds must be rapidly deployed to meet immediate business needs and applicants will be required to fully deploy the proceeds within 45 days of receipt.

### **Business Applications and Support Documentation**

- Businesses must self-certify they have not received CARES Act PPP or SBA EIDL assistance as of the date of application.
- Demonstrate:
  - That they were prohibited from operation as directed by Executive Order 20-12; or
  - That they had a sales or revenue decrease of 50% or more in the month of March or April 2020, as compared against the sales or revenues of January or February 2020, or as compared against the same period in 2019.
- Demonstrate they are headquartered and with principal operations in Oregon.
- Self-certify they are not subject to any of the ineligibility criteria.
- Self-certify that the business and its operations are, and will, remain compliant with all local, state and federal laws.
- Provide business, financial and ownership information necessary to determine and verify eligibility.

### **Other Program Details and Next Steps**

Local entities administering COVID-19 business assistance programs (loan or grant programs, new or existing) may apply to receive an award under this announcement. If approved, the applicant will enter into a contract with Business Oregon in short order. During the contract process, Business Oregon will consult on the detailed operational steps proposed by the local assistance programs, and the basic reporting needed by the state.

### **Program Access**

It is intended that these state funds are equally accessible to all Oregonians, so a robust marketing program that reaches out locally to businesses owned by members of historically disadvantaged population groups (Asian, Black, Hispanic, Native American, and Women Owned Businesses) is a requirement of this program. Only those applicants that can demonstrate such a marketing program and fair access procedures will be considered for funding. Local community program awardees will be required to:

- Develop a stepped marketing program that reaches out and markets to members of historically disadvantaged population groups in advance of marketing to the general public.
- Deploy the awarded funds to eligible businesses within 45 days of the receipt of funds.

- Demonstrate, for loan forgiveness, that all agreed Program Access activities as described in the application and agreed upon in contract have been fulfilled.

## **Application Process**

Local assistance programs should submit a written Proposal that describes the following:

- Amount of award requested to match new or existing local funds (state funds up to, but will not exceed, local funds).
- Description of your established or proposed small business support program responding to the COVID-19 crisis.
  - For matching funds being requested for a new program, describe how the program will be operational no later than July 20, 2020, and how the local assistance program eligibility requirements comply with the requirements in this State of Oregon COVID-19 Emergency Business Assistance announcement.
  - For matching funds for an established program, describe when the program was formed and how the local assistance program eligibility requirements comply with the requirements of the State of Oregon COVID-19 Emergency Business Assistance.
  - For either, describe amount and source(s) of capitalization, the eligible applicants, the type(s) of awards made, award ranges, number of awards, amount deployed to date, and the amount remaining to be deployed.
- Describe marketing activities and outreach to encourage participation of businesses owned by members of historically disadvantaged populations groups in the applicant's jurisdiction(s).
- Describe any procedures to ensure equitable awards are made to those businesses owned by members of historically disadvantaged populations groups. (See Program Access above.)
- Describe the plans to market the grant program, including partnerships and marketing strategies with chambers, business associations, Small Business Development Centers, etc.
- Description of your grant/loan announcement and application process.
- Description of your grant/loan review and award process.
- Estimate geographic distribution of awards (list all municipalities and/or counties served):
  - The percent of allocation awarded to urban (cities with populations greater than 30,000) businesses, and
  - The percent of allocation awarded to rural (cities with populations of 30,000 or less, or unincorporated areas) businesses.
- Estimate the percent of allocation awarded to sole proprietors.
- Briefly describe the background of the executive in charge of the program, and description of any other key team members if desired, and description of any audit or oversight measures if desired. Provide contact information for a designated lead contact.

There is no minimum or maximum page limit for Proposals or other format requirements, except that the Proposal must be delivered electronically in a Microsoft Office compatible file type, less than 20 megabytes.

**Proposals for this round of funding are due July 10, 2020, by 5:00 PM.**

Please deliver your Proposal by email to:

John Saris, Finance Manager

[john.saris@oregon.gov](mailto:john.saris@oregon.gov)

(503) 383-8612 for any questions

A GoToMeeting teleconference for questions and answers regarding how to implement this announcement will be held Wednesday, July 15 from 2:00-3:00 PM.

Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/169092437>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 169-092-437

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/441110725>

## **Award Process**

Business Oregon will coordinate an expeditious review process and may contact any proposer for further clarification or negotiation. Decisions will be made in the state's sole discretion, endeavoring to meet the objectives and targets described above and below:

- No less than 50% of the awards to be made to Sole Proprietors.
- No less than 60% of awards to be deployed in rural communities with population fewer than 30,000 per the last decennial census (2010) data including all areas outside of the following urban growth boundaries:
  - Albany
  - Bend
  - Corvallis
  - Eugene/Springfield
  - Grants Pass
  - McMinnville
  - Medford
  - Portland Metro (City of Portland, Clackamas, Multnomah, and Washington counties)
  - Salem/Keizer
- To the extent possible, allocations to the following regions:
  - Central Region–15%
    - Crook, Deschutes, Hood, Jefferson, Sherman, and Wasco counties
  - Coastal Region–15%
    - Clatsop, Coos, Curry, Lincoln, and Tillamook counties
  - Eastern Oregon Region–20%
    - Baker, Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa, and Wheeler counties
  - Metro Region–20%
    - Multnomah, Clackamas, and Washington counties
  - Southern Oregon Region–15%
    - Douglas, Jackson, Josephine, Klamath, and Lake counties
  - Valley Region–20%
    - Benton, Columbia, Lane, Linn, Marion, Polk, and Yamhill counties

## **Grant Fund Deployment Deadlines and Reporting Requirements**

A final report is due the sooner of:

- 30 days from when the capital is deployed by the local assistance program to eligible businesses, or
- October 5, 2020.

Any proceeds not deployed by September 4, 2020, are to be repaid to Business Oregon on or before September 8, 2020, unless waived in writing by the department.

In the final report, the local assistance program will be required to report program and recipient information on a form prescribed by Business Oregon, including but not limited to:

- Number of applications received
- Number of awards made
  - Award as #, \$, and % of allocation by region
  - Award as #, \$, and % of allocation by company size
  - Award as #, \$ and % of allocation by legal ownership structure
- Sub recipient data
  - Name of company
  - Employer Identification Number (EIN)
  - Oregon Business Identification Number (BIN)
  - Address of company
  - Industry/NAICS
  - Amount of award
  - Legal business structure
  - # of employees as of February 29, 2020
  - # of employees expected to be retained as a result of the award
  - Business owner voluntarily reported demographics
  - Direct administrative expenses incurred in the administration of this program