

Small Business Relief Program FAQs

Phase I RFP for Cities, Counties, and Economic Development Districts

Updated May 14, 2020

Q: What if a community has a program with different criteria from Business Oregon's? Will it still be considered? If communities have already exhausted their funds, can the Business Oregon portion be used as a match?

A: If projects awarded funding by communities meet the same eligibility requirements as the Business Oregon program those funds would be eligible to count as matching funds. Eligibility requirements include determining that:

- The business was unable to obtain PPP or EIDL funding at the time of application
- The business was adversely affected by the COVID crisis and were forced to close per EO 20-12 or can demonstrate a 50% reduction in sales consistent with the state program requirement.
- The business had 25 or fewer employees as of February 29, 2020.
- If the business was a non-profit, that it was a 501(c)(3)
- Businesses may not have been passive real estate holding companies or others holding passive investments (e.g. absentee ownership)
- The business was not delinquent on federal, state or local taxes at the time of award
- The business was compliant with federal, state and local laws at the time of award
- And a demographic survey was collected.

These requirements are listed out in the RFP. Generally speaking, to receive a match, the community will need to have the same criteria as the Business Oregon program listed above. If a program did not previously market specifically to historically disadvantaged populations, it would need to show how it would do so moving forward to be considered for funding.

If a community has a program with a different structure, but the community will change the program to accommodate the state requirements, and then provide matching funds, it can apply for this funding.

Q: If a business receives this state funding, are they precluded from getting assistance from the Small Business Administration (SBA) at a later time? If they have applied for SBA funding—but not received any actual funds yet—are they still eligible for this program?

A: If a company has **received** SBA funding tied to the COVID recovery assistance (Economic Injury Disaster Loan, Payroll Protection Program, EIDL—Advance, etc.) at the time of application for this state funding, they are **not** eligible for this state funding. If they have applied for SBA funding but not received any funds, they **are** still eligible for this state funding. A business may apply for and

receive SBA funding **after** receiving funds through this program. Receiving SBA funds in the future does not impact eligibility or disqualify from the current state funding.

Q: Is qualification based on FTEs or headcount?

A: Headcount, as reported to the Oregon Employment Department on Form 132.

Q: How is disadvantaged defined? When scoring, can a community give preference points to a historically disadvantaged business?

A: For this funding Business Oregon defines historically disadvantaged as people or groups as Asian, Black, Hispanic, Native American, and Women-owned businesses. Scoring preference points cannot be awarded to historically disadvantaged businesses due to state regulations. But we do require specific marketing and outreach to these groups as noted in the RFP.

Q: Can communities partner with other groups to administer and/or fund the program?

A: Yes. This structure should be outlined in the community's application. Matching does **not** have to be only from community funds. Programs that have used funds coming from foundations or any other source **can** be used as match. For example, partnerships with a chamber of commerce for administering and/or funding the program may be a good model for some communities.

Q: Why is Business Oregon requiring matches instead of just granting the funds out?

A: Per directive from the Legislative Emergency Board that allocated this funding, we are requiring matches on funding for this RFP.

Q: Does the matching portion have to be a grant or can it be a loan?

A: Matching funds from cities can be grant **or** loan funds, but the state dollars going through the program must be made as grants. Matching loan funds will need to be deployed within a specified amount of time to be considered matching funds. Failure to deploy the loan funds may result in a default of the forgivable loan if the 1:1 match is not achieved.

Q: Can a community charge administrative fees if using Business Oregon funds?

A: No, in guidance Business Oregon received, there was no allowance of administrative fees.

Q: If a city applies for this funding, would that negatively impact a county's ability to successfully apply in round two?

A: The only potential for this would be where as the RFP does have targets for geographic distribution, it is possible if multiple cities have saturated a particular region and there are other regions that have not been covered, priority may be given to these uncovered regions.

Q: When are applications due? When will the second round of funding go out?

A: Response to this RFP is due on May 18, 2020, at 5pm. All funds awarded to communities must be disbursed to subsequent small business applicants by June 30. We anticipate the next solicitation will go out in June.

Q: How will Business Oregon get funds to communities? Reimbursement?

A: These are forgivable loans made to communities that end up effectively functioning as grants if all conditions are met. Funding will be fully deployed upon execution of the loan contract. Forgiveness will be based on the community achieving all contractual requirements of the program including submission of a final report, or the funds must be paid back.

Q: Is Business Oregon providing an application form that communities can use for the businesses?

A: Yes. Business Oregon will provide an application template that you can choose to use and it can be provided in multiple languages. The application will contain all the information the state will require about the small business applicants.

Q: If a community hasn't developed a program but has available funds for a matching grant, can the community apply?

A: Yes. You can create a new program that meets the requirements of the RFP.

Q: Do communities need to go back and collect demographic data and other data on awards already made?

A: If you do not have data available on the number of awards made to businesses with 25 or under employees and who did not receive Federal CARES Act money when they applied to your fund, then yes you will. You will also need to ask for their demographic information, tax status, and business structure information as well.

Q: Do communities have to hit the 50% sole proprietor and 60% rural distribution goals, or are those targets Business Oregon is required to hit?

A: Municipalities will not be required to hit rural/urban distribution goals. They will be required to hit the 50% sole proprietor targets. The state will be monitoring the distribution of awards between urban and rural communities to hit the statewide distribution targets.

Q: How do we know what our marketing to the historically disadvantaged communities should look like and is there a required amount of time we need to have the application open to these communities?

A: You should base your RFP proposal on demographic data for your community and on the makeup of your business community. You can decide what is best for your community for how to market and how long to market to these communities. All businesses will be eligible to apply at the same time. Please explain your approach in your proposal.

Q: Do you have a list of partners that can help market to historically disadvantaged communities?

A: Yes, Business Oregon is compiling a list of potential partners to help reach disadvantaged communities. It will be available online.

Q: Can businesses apply for the state fund directly?

A: No. The grants are not open for businesses to apply directly to Business Oregon. The funding flows through the successful community applicants to this RFP, and then to businesses.