



NOTICE OF FUNDING AVAILABILITY FOR
2020 STOCKTON ENTREPRENEURSHIP PROGRAM

Deadline for Submitting Applications:
4:00 P.M. – Thursday, May 21, 2020

Submit to:

**City of Stockton
Economic Development Department
Attn: Stockton Entrepreneurship Program
400 East Main Street, 4th Floor
Stockton, CA 95202**

For more information contact Economic Development Staff at (209) 937-8539.



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INVITATION TO APPLY

The City of Stockton has allocated up to \$200,000 in Community Development Block Grant (CDBG) grant funds to provide funding to:

- 1) Organizations** (business service providers) – up to \$160,000 available
- 2) Entrepreneurs** – up to \$40,000 available; a maximum of \$5,000 per applicant

Organizations applying for the grant should provide new/existing services for start-up businesses and entrepreneurs within the City of Stockton. **Entrepreneurs** applying for a grant should provide goods and/or services, as well as operate within the Stockton city limits. This will be the fifth year that the City of Stockton has conducted a competitive application process for organizations to apply for the Stockton Entrepreneurship Program, and the first-year entrepreneurs have been invited to apply.

Business service providers are defined as organizations that provide assistance to entrepreneurs, start-up companies, and existing businesses. Types of assistance are consulting, training, innovation, provide co-working office space, preparation assistance of business documents, financial assistance, budgeting, workshops, promoting, etc. to create economic opportunity for the business community.

Entrepreneurs, for this program, are defined as individuals who are exploring opening a new business, are still in the concept stage, or are currently operating as a start-up business. They must be a resident of Stockton and conduct business in Stockton.

The City sees this growing sector as an opportunity to bring new job growth. Based on the 2018 Kauffman Indicators of Entrepreneurship, the rate of new entrepreneurs increased from 0.28 percent of the adult population (280 out of 100,000) in 2013 to .032 (320 out of 100,000) in 2018.

Funding allocated for this Notice of Funding Availability (NOFA) seeks to identify 1) **Organizations** that provide business support services for startups and entrepreneurs and 2) **Entrepreneurs** that are invested in improving the Stockton community.

1. The areas of focus for **Organizations** are:

- Provide business consulting services for entrepreneurs at idea and concept stage;
- Provide business services and technical assistance to entrepreneurs and new start-ups;
- Provide business services and technical assistance to existing home-based businesses;
- Provide outreach and link eligible entrepreneurs to capital financing;
- Create new or enhance existing business programs for targeted industry clusters; and
- Link workforce development programs with start-up businesses.

2. The areas of focus for **Entrepreneurs** are:

- Entrepreneurs with creative ideas;
- Entrepreneurs who need extra capital to expand or launch their business;
- Entrepreneurs planning to create or retain jobs;
- Entrepreneurs providing meaningful services and/or goods to the community; and
- Entrepreneurs planning on expanding or introducing goods or services to underserved communities.

Selection Process

The selection process for applications reviewed will consist of a committee comprised of the City of Stockton and business/community representatives that will score applications based on content, need, and feasibility.

The committee will make recommendations for funding; **\$160,000 for Stockton Organizations** that support entrepreneurship and **\$40,000 for Stockton Entrepreneurs** (up to \$5,000 will be awarded per entrepreneur).

When recommendations are approved, all applicants will be notified in writing.

ELIGIBILITY AND REQUIRED INFORMATION

1. **Organizations** - eligibility and required information:
 - Must be a business service provider or organization that provides assistance and support to start-up businesses and entrepreneurs;
 - The business service provider must hold a valid Business License with the City of Stockton. All program beneficiaries that are conducting business must also obtain a valid business license; and
 - The proposal must meet one of the U.S. Department of Housing and Urban Development’s federal objectives (listed in the section below).

2. **Entrepreneurs** - eligibility and required information:
 - Must be an entrepreneur residing and operating in the Stockton city limits;
 - Entrepreneur should provide goods or services to the Stockton community;
 - The entrepreneur must hold a valid Business License with the City of Stockton; and
 - The proposal must meet one of the U.S. Department of Housing and Urban Development’s federal objectives (listed in the section below).

One of the following Federal objectives must be fulfilled under HUD’s guidelines:

- Provide benefit to low and moderate-income persons (self-certification forms must be submitted quarterly for participants and entrepreneurs);
- Eliminate and prevent slums and blighting elements;
- Create or retain jobs at least 51% of which benefit low and moderate-income persons (self-certification forms must be submitted quarterly);
- Provide goods or services to residents of low and moderate-income residential area.
- Program beneficiaries must be primarily low/moderate-income people. Defined as individuals with income of 80% or below the median family income for the Stockton area (2019 limits):

Household Size	1	2	3	4	5	6	7	8+
80%	\$39,200	\$44,800	\$50,400	\$56,000	\$60,500	\$65,000	\$69,450	\$73,950

REPORTING REQUIREMENTS

All grant recipients are required to execute a grant agreement. Organizations who receive funding for projects will be required to submit quarterly reports as determined by the City. At the completion of the program, a final report will be required for submittal, as determined by the City. In addition, self-certification forms must be completed by recipients and/or individuals served (program beneficiaries) and submitted with the required quarterly reports by the provided deadline. The City will provide a template for each of these reporting requirements

FEDERAL AND LOCAL REQUIREMENTS

CDBG programs are subject to numerous Federal and local requirements, some of which are listed below. Additional requirements can be found in the CDBG regulations on HUD's website at www.hud.gov; OMB Circular A-110, A-122, and A-133; and City of Stockton's Guide to Affirmative Action for Federally-funded projects. We encourage applicants to familiarize themselves with these requirements to ensure that their organization has adequate administrative systems in place.

- **Timeliness:** Federal guidelines require that these funds be spent promptly. Funded projects will need to be underway and generating expenditures within twelve (12) months of execution of an agreement with the City; otherwise, funds may be de-obligated.
- **Program Income:** Funds generated as a result of CDBG funding must be reported and are subject to HUD regulations.
- **Audits:** Depending on the type of project or activity to be funded, an audit performed in accordance with Governmental Auditing Standards may be required. For additional information, visit: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>.
- **Accessibility:** Programs, services, and projects must be accessible to persons with disabilities. Access can be achieved in many cases without having to alter the existing facility.
- **Prevailing Wages:** Capital (building/construction) projects may trigger prevailing wages under the Federal Davis-Bacon Act and State SB 975. This generally increases the project cost by approximately 30 percent.
- **Lead-Based Paint:** Rehabilitation activities must comply with the latest revisions of the Lead-Based Paint Poisoning Act and Residential Lead-Based Paint Hazard Reduction Act.
- **Environmental Review and Historic Preservation:** Environmental review and historic preservation clearance must be completed before funds can be committed.
- **Ineligible Reimbursements:** Costs incurred, and funds expended, prior to execution of the grant agreement are not reimbursable. All reimbursement request will be reviewed at the time of submission to determine eligibility.
- **Affirmative Action:** Organizations must demonstrate efforts to utilize minority and women-owned businesses and to hire low- and very low-income individuals and contract with companies who hire them in contracting for services.
- **Relocation:** Activities that temporarily or permanently displace residents or businesses are subject to the Uniform Relocation Act regulation, which require monetary benefits be paid to those displaced. For additional information visit: https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/13780.
- **Insurance:** The City requires all entities receiving funding to provide proof of insurance. Specific information on types and limits can be found on the City's website at, <http://www.stocktonca.gov/government/departments/humanResources/riskServices/insurance.html>.

APPLICATION SUBMITTAL INSTRUCTIONS

- Submit and complete one (1) application for each activity. Forms must be typed.
- Return one (1) original unbound application and two (2) copies along with all **required** attachments. **Please do not include copies of the instructions with your application; only one of the application forms (starting on page 12) should be submitted.**
- Submit application(s) by **Thursday, May 21, 2020 before 4:00 p.m.** Applications can be submitted in one of three ways:
 - 1) Received in hard copy format with original signatures hand delivered to the below address; or
 - 2) Received via email to: economic.development@stocktonca.gov
The subject line of the email should read: ENTREPRENEURSHIP PROGRAM
All applicants should receive a reply email verifying receipt (during regular business hours). It will be the applicant's responsibility to ensure receipt. If a reply email is not received by the applicant, follow-up is recommended during regular business hours and before the deadline to ensure acceptance; or
 - 3) Received in hard copy format with original signatures via mail to the below address.

Applications with supporting documentation will be accepted via email, as hand delivered or mailed to the address below. Applications received after the deadline, regardless of postmarked date, will **not** be accepted. You may send your packet of documents to:

**City of Stockton
Economic Development Department
Attn: Stockton Entrepreneurship Program
400 East Main Street, 4th Floor
Stockton, CA 95202**

- **Note that there are two (2) different application forms:** 1) Organizations and 2) Entrepreneurs. Be sure to complete the appropriate form.
- **Submit the following items with each application.** Incomplete applications will **not** be considered for funding.

APPLICATION FOR ORGANIZATIONS

1. **Project Budget-** A copy of the project budget (separate from the operational budget) showing all funding sources and uses. **Identify** specific items that City funds would pay for if approved. *A sample budget is included on page 10.*

2. Operational Budgets- A copy of the organizations operational budget for the current fiscal year and proposed budget for the 2020-2021 fiscal year.
3. Financial Statements (as applicable)- Please submit:
 - a. **For all organizations, a financial report:** a compilation report or the organization's bookkeeping records in the form outlined above (Balance Sheet, etc.), for the most recent year.
4. Tax Status- If the organization has a 501©(3) status, submit one of the following verifying documents:
 - a. A determination letter from the U.S. Internal Revenue Service, confirming 501©(3) status of organization.
 - b. A letter from the California State Franchise Tax Board certifying tax-exempt status of organization.
5. Board of Directors Roster- A current roster of the organization's officers and members of its Board of Directors, which includes their name, the position held, address, telephone number, and current employers.
6. Business License/Use Permit/State License (as applicable)- For first time applicants, new projects, or expansion of existing facilities.

APPLICATION FOR ENTREPRENEURS

1. Project Budget- A copy of the project budget (separate from the operational budget) showing all funding sources and uses. **Identify** specific items that City funds would pay for if approved. *A sample budget is included on page 10.*
2. Business Summary- Business summary should include a description of the business and products and/or services offered, as well as future business goals.
3. Resumes- Include the resume of the business owner and any partners who are invested by 30% or more.
4. Business License/Use Permit/State License/Partnership Agreements/Fictitious Business Name (as applicable) – Business license number is a requirement to apply for funds. Please provide other forms of business documentation as applicable.

All applicants will be notified of funding recommendations by **June 18, 2020**. Refer to the Preliminary Funding Schedule (shared on page 11) for more information.

For additional information, please contact the City of Stockton Economic Development Department, 400 East Main Street, 4th Floor, Stockton, CA or call (209) 937-8539.

HELPFUL HINTS

The following may help your application to be more competitive. Please remember that due to limited resources, submitting an application does **not** guarantee that it will be funded.

Answer all questions completely. Include as much information as possible (such as cost estimates and accomplishments to date).

Submit the application before the deadline.

Applications must be typed. Applications are read and reviewed by the Economic Development Department. If additional space is needed, please attach additional pages.

This application is available on the city's website at www.stocktonca.gov/econdev, via email at Jamie.Vilinskas@stocktonca.gov, or by calling (209) 937-8539.

Davis-Bacon. Please note all federally funded construction projects are subject to Davis Bacon prevailing wage requirements. For further information about Davis Bacon wages call (209)937-8359. This is for construction projects only.

Leveraging funds. Budgets should reflect all sources of leveraged financial sources of funds. The availability of other resources in the community is foremost in the City's mind when evaluating applications. We suggest applicants be aware of and pursue other larger funding resources, if/when applicable.

Funds must be used by June 30, 2021. Given the federal timeline requirements in the use of funds, the City will only recommend funding the projects that are ready to begin operation and can complete the project within twelve (12) months of executing a grant agreement. Organizations should be able to demonstrate in their application that all other funding sources have been leveraged/secured and the program is ready to move forward.

Payments against allocated funds are administered as a grant for Entrepreneurs and on a reimbursement basis for Organizations. Any costs incurred before the execution of contractual agreements with the City of Stockton cannot be paid per federal regulations of these funds.

Attachments. Remember to include **all** the required attachments (financial statements/budgets, rosters, tax status, etc.).

Letters. Letters of recommendation or endorsement are **not** required.

DUNS Numbers. DUNS numbers are required for each **organization** that receives federal funding. Individual entrepreneurs are not required to obtain a DUNS number. Numbers may be obtained at <http://fedgov.dnb.com/webform>.

SAMPLE PROJECT BUDGET: Organizations (Business Service Providers)

	City CDBG	Other Sources/ Fundraising	Total
Proposed Project/ Program (ex: consultant/ instructor fees, professional fees)	\$10,000	\$15,000	\$25,000
12 mos. Utilities	\$2,000	\$3,000	\$5,000
12 mos. Rent	\$5,000	\$2,000	\$7,000
Operating Expenses (ex: marketing, advertising, printing, supplies)		\$25,000	\$25,000
Total	<u>\$17,000</u>	<u>\$45,000</u>	<u>\$62,000</u>

SAMPLE PROJECT BUDGET: Entrepreneurs

	City CDBG	Business Capital/ Personal Investment	Total
Business Equipment (ex: furniture, fixtures, credit card processing equipment, etc.)	\$3,000	\$2,000	\$5,000
Products (ex: inventory)	\$1,000	\$2,000	\$3,000
Supplies (ex: dishware, cleaning supplies, office supplies, software, etc.)	\$500	\$1,000	\$1,500
Operating Expenses (ex: marketing, advertising, printing, signage, etc.)	\$500	\$500	\$1,000
Total	<u>\$5,000</u>	<u>\$5,500</u>	<u>\$10,500</u>

2020-21 PRELIMINARY FUNDING SCHEDULE

NOFA Released	February 11, 2020
Deadline for Emailed Questions	April 23, 2020
Final Response to Written Questions (responses to questions will be updated on our website)	May 1, 2020
Proposal Submittals Due	May 21, 2020
Award Recipients Notified	June 18, 2020
Grant Agreements Executed	June 30, 2020
Quarterly Reports Due	30 Days after quarter
Quarterly Reports Due	30 Days after quarter
Quarterly Reports Due	30 Days after quarter
Quarterly Reports Due	30 Days after quarter
Final Report	July 30, 2021
Funds to be Spent by	June 30, 2021

*This is a preliminary funding schedule that is subject to change due to applicable projects.



APPLICATION FOR:
STOCKTON ENTREPRENEURSHIP
PROGRAM FY 20-21
ORGANIZATION APPLICATION

GENERAL INFORMATION

1. Organization Name:
2. Organization Mailing Address:
3. Project Program Location:
4. Executive Director: Telephone:
5. Contact Person: Telephone:
- Email: Website:
6. DUNS # EIN #: Business License #:

7. Is your organization collaborating or partnering with other organizations(s) to provide services and/or programs? If so, please list who and how.

8. Has your organization received funding from the City of Stockton in the past? If not, do not answer question 17.

9. Amount of funds requested:
10. Describe the project or program that would be supported by these grant funds.

11. What is the current program project status? If funds are awarded, when will they be spent?

12. What do you see as the current challenges and opportunities to grow a strong baseline of entrepreneurs in Stockton?

13. What are three (3) main needs of a start-up business in Stockton?

14. What types of specific services/activities/projects does your organization provide?

15. **Briefly** describe your organization’s history and experience in providing services to the community (provide number of years in operation and accomplishments to date).

16. The City’s funding is intended to benefit businesses and entrepreneurs within the City of Stockton. **Briefly** define your entire service area. (e.g., a portion of the city, entire city, county).

17. Using the chart provided, please list all CDBG funds received within the last three (3) years including funding amounts and their status.

Activity Title	Source of Funding (City and/or County)	Fund Amount	Status of Project (complete, underway, or canceled)

18. Lists all committed and proposed funding sources for your proposed project and indicate the status of each source. Attach copies of commitment letters you may have.

19. If the City approves your application for less than the amount requested, how will your project be accomplished? (Briefly explain.)

20. Briefly explain how this service/activity/project differs from other programs providing similar services in Stockton/San Joaquin County. Also, indicate any networking or collaboration which occurs with agencies or programs providing the same or like services.

21. Identify any potential conflict of interest with this application for federal funds. Conflicts of interest may exist with employees of the organization who sit on community boards, commission, or committees. Similarly, City of Stockton Council members or City employees who may sit on your board of directors pose possible conflicts of interest.

22. How was the need for this service/activity/project determined?

23. Federal regulations require that the use of these funds benefit principally low or moderate-income persons. Describe the method you will be using to count and monitor the beneficiaries of program recipients.

24. Indicate the percentage of clients to be served by low income level (refer to the chart on page 5 Section 2, Eligibility and Required Information).

Very Low Income (<50% Median)	Low Income (51%- 80% Median)

25. Does your program target a special group (i.e., small businesses, home-based, large employers, specific industry) that benefits or will benefit from your program? What are your eligibility requirements, if any?

26. Describe the outreach and service industry methods used to reach your target population.

27. If awarded, how will this program be sustained beyond the proposed grant funds?

28. Is this a new program/service or an expansion of an existing program/service?

29. Indicate the number of full-time and part-time jobs you would expect to be created and retained, if your application is funded. Also, indicate the number of jobs likely to be filled by a low-income person(s):

Job Type	Total Full-time Jobs	Total Jobs Full-time & Low-income	Total Part-time Jobs	Percent of Part-time jobs that will be Low-income
Expect to Create				
Expect to Retain				

33. Provide Proposed Project Budget as an attachment - See “Sample Project Budget: Organizations” on page 10.

AUTHORIZED SIGNATORY

Required for all activities.

I hereby certify that I have read this application, and the exhibits thereto, and know that the contents thereof, and that the statements therein are true, and that I have been authorized by the governing board to submit this application

Authorized Representative Signature

Date

Name and Title (Please Print)

I hereby certify that the Board of Directors has approved the submission of this application:

Board President Signature

Date

Name (Please Print)

PLEASE RETURN ONE (1) ORIGINAL, UNBOUND APPLICATION AND TWO (2) COPIES ALONG WITH THE REQUIRED ATTACHMENTS OR EMAIL COMPLETED APPLICATION IN PDF FORM.



**APPLICATION FOR:
STOCKTON ENTREPRENEURSHIP
PROGRAM FY 20-21
ENTREPRENEUR APPLICATION**

GENERAL INFORMATION

1. Business Name:
2. Business Mailing Address:
3. Business Location:
4. Owner: Telephone:
5. Contact Person/Title: Telephone:
- Contact Email: Website:
6. Business License #:
7. Amount of funds requested: \$
8. Provide a brief description of the business that would be supported by these grant funds?

9. Is this a new business or expansion of an existing business? Please list how long you have been in business.

10. What is the current business status? If funds are awarded, when will they be spent?

11. What type of goods or services does your business provide to the Stockton community?

12. What are the three (3) main ways this grant would support your business?

13. What need in the community would this grant help your business serve?

14. Why should you receive this grant?

15. Identify any potential conflicts of interest with this application for federal funds. Conflicts of interest may exist with employees of the business who sit on community boards, commissions, or committees. Similarly, Stockton Council members or City employees who are stakeholders in your organization may pose possible conflicts of interest.

16. Federal regulations require that the use of these funds must comply with one of the following:
 - a. Benefit principally low or moderate-income persons;
 - b. Provide goods or services to residents in a low to moderate- income residential area; or
 - c. The business is located in a designated slum or blighted area and addresses one or more of the conditions which contributed to the deterioration of the area.

Describe identify which of the above regulations your business proposed program/project would fulfill, and how.

17. If the City approves your application for less than the amount requested, how will your business goals be accomplished?
18. Briefly describe your current marketing plan for your business. Include any collaborations or partnerships you have established with other businesses or organizations to promote your business.
19. The City's funding is intended to benefit entrepreneurs within the City of Stockton. Briefly define your service area and how your business assists any underserved areas of the City.
20. **Provide your proposed business budget as an attachment - See "Sample Project Budget: Entrepreneurs" on page 10.**

AUTHORIZED SIGNATORY

Required for all activities

I hereby certify that I have read this application, and the exhibits thereto, and know that the contents thereof, and that the statements therein are true, and that I am the authorized representative to submit this application on behalf of the business.

Authorized Representative Signature

Date

Name and Title (Please Print)

**PLEASE RETURN ONE (1) ORIGINAL, UNBOUND APPLICATION AND
TWO (2) COPIES ALONG WITH THE REQUIRED ATTACHMENTS
OR EMAIL COMPLETED APPLICATION IN PDF FORM.**