

“...eligible CDFIs or similar private entities to make grants and loans to small businesses adversely impacted by the COVID pandemic...”

Virginia State Budget Amendments HB 1800, Item 114 8c

Goals – Virginia Small Business Recovery Fund (VSBRF)

- Capacity Building within the Virginia CDFI ecosystem
- Expansion of services into un or under served geographies, demographics, and business sectors; focus on those disproportionately impacted by COVID
- Timely deployment of dollars, either direct or leveraged – show impacts and results that can be leveraged into a true state CDFI Program
- Expansion of technical assistance, services, and lending products

Program Priorities

- Expansion/Going Deeper
 - Demography
 - Geography
 - Business Sector
 - Business Products (Lending or Technical Assistance)
- Timely deployment of grant dollars or leveraged/secured dollars
- Disproportionately Impacted by COVID

Funding Structure

DHCD – *makes VSBRF Grants to*

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graph TD; A["DHCD – makes VSBRF Grants to"] --> B["Eligible Entities/Grantees – makes grants, loans, or credit enhancements to..."]; B --> C["Small Businesses, Entrepreneurs, etc. – [see eligible activities]"];
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Eligible Entities/Grantees –
*makes grants, loans, or credit
enhancements to...*

Small Businesses, Entrepreneurs,
etc. – *[see eligible activities]*

Eligibility

- Community Development Finance Institutions (CDFI) and emerging CDFI, which may be
 - A community development bank
 - A community development credit union
 - [or other, similar, private entity that the Department finds is
 - established to conduct business legally within the Commonwealth;
 - subject to oversight by federal or state financial institutions or insurance regulatory agencies, as appropriate; and
 - eligible for certification by the U.S. Department of Treasury as a community development financial institution or other similar charter or principles which require support of small businesses]
- Community Development Enterprises (CDE)
- *[or other such similar entities as permitted by law, whose primary purpose is to provide financing in the form of loans, grants or forgivable loans to small business or community revitalization real estate projects in Virginia]*

Eligible Activities

- These activities may include
 - loans and investments to
 - start or expand small businesses,
 - operating and working capital,
 - property renovation or development, and
 - financial services with a focus on small businesses impacted by the COVID pandemic
 - The entity may also provide services that help ensure that credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers
- Goal is ***flexibility*** – deployment, leverage, or securitize other resources
- Set aside for capacity building grants for CDFIs or emerging CDFIs to include
 - Staffing
 - Technical Assistance for emerging CDFIs to complete the certification process

Under Development

- Program Design
 - Application
 - Scoring criteria/weight
 - Admin of up to 15% allowed
- Reporting
 - Draw from data points being collected for Treasury reporting

Next Steps

- June
 - Develop Program Documents
 - Recruit Program Manager
 - Second Input Session
- July
 - Hold How to Apply virtual session
 - Hire Program Manager
 - Applications Open
- August
 - Recruit Program Staff
 - Application Technical Assistance
 - Application Deadline
- September
 - Review Applications and Make Funding Recommendations
- October
 - Announce Grant Awards (target)
 - Hire Program Staff
- November
 - Execute Memorandum of Understanding with Grantees
 - Begin Remitting Funds

Virginia Statewide Business District Resurgence Grant Fund

- \$1.5M, one-time allocation for FY 2022
- accelerate the post-pandemic recovery of Virginia's business and commercial districts and support historically economically disadvantaged communities and other business districts that have been disproportionately impacted by the pandemic
- \$1M will support grants to non-profits and units of local to government for technical assistance, grants, e-commerce capacity, and small scale development activities in downtown and neighborhood business districts
- \$500k will support an expansion of the Community Business Launch (CBL) program

MAY 16-18

MAIN

STREET

2022

RICHMOND, VIRGINIA

Maww

Together, Again.