



NOTICE OF FUNDING AVAILABILITY For

2022



Stockton Entrepreneurship Ecosystem Program

Submit applications online at the City of Stockton Neighborly portal:
www.portal.neighborlysoftware.com/stocktonca/Participant

Deadline for Submission: June 30, 2022, at 5:00 p.m.

Proposals submitted after the deadline and incomplete applications **WILL NOT BE ACCEPTED.**

Website for information: www.StocktonCA.gov/EDD
or call Economic Development at (209) 937-8539

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1. Introduction

The City of Stockton (City) is soliciting proposals from organizations, entrepreneurs, start-ups, and small businesses. The City of Stockton has allocated up to \$400,000 in funding to the 2022 Stockton Entrepreneurship Ecosystem Grant Program. The funding sources include \$200,000 in American Rescue Plan Act (ARPA) grant funds and an additional \$200,000 in Community Development Block Grant (CDBG) funds, funded through the US Department of Housing and Urban Development (HUD). The combined \$400,000 has been allocated to provide funding to:

Organizations (business service providers) – up to \$200,000 available to support business service providers efforts. Organizations applying for the grant should provide new/existing services for entrepreneurs, start-ups, and small businesses within the City of Stockton.

This is the seventh year that the City of Stockton has conducted a competitive application process for organizations to apply for the Stockton Entrepreneurship Program. Types of assistance include 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, Start-Ups, & Small Businesses – up to \$200,000 available; a maximum of \$10,000 per applicant. Applicants applying for a grant should operate and reside within the Stockton city limits, and have a unique and innovative business or project proposal.

This is the third-year entrepreneurs, start-ups, and small businesses have been invited to apply for this program. Entrepreneurs, start-ups, and small businesses, for this program, are defined as individuals who are currently operating a business. They must be a resident of Stockton and conduct business in Stockton. Applicants must present an innovative project or business concept for their business.

The Economic Development Strategic Action Plan (EDSAP) identifies innovation and entrepreneurs as key investment areas to achieving the City's vision to become the best city in America to live, raise a family, and grow a business. In 2022, the Entrepreneurship Ecosystem Grant Program reflects the initiatives outlined in the EDSAP incorporating an emphasis on innovation and improved training for entrepreneurs, start-ups, and small businesses to acquire investment. Innovation in the entrepreneurial context can be any new idea, process, service, or product. An innovative change could also apply to an item that adds value to an existing process, service, or product.

Funding allocated for this Notice of Funding Availability (NOFA) seeks to identify both organizations and entrepreneurs, start-ups, and small businesses that create a productive and successful entrepreneurship ecosystem.

This packet includes the application portal information to request grant funding. All proposals must utilize this portal to apply to be considered for funding.

The grant program is funded through the two grant funding sources mentioned above. Although exact funding may vary, a **maximum of \$400,000** has been allocated for this program. The City reserves the right to determine final funding recommendations and has the ability to award multiple grants.

2. Process and Timeline for Submission

2.1 Process:

This program will continue funding with the CDBG to support moderate to low-income individuals. As part of the ARPA of 2021, the City anticipates receiving additional funding to address local needs generated by the COVID-19 pandemic. The City has apportioned a portion of these funds for small business support and economic recovery. Since funds will be received directly from the U.S. Treasury, the City is seeking experienced organizations to assist entrepreneurs and businesses with recovery efforts from the pandemic and to assist businesses negatively impacted by the pandemic to mitigate financial hardships.

The City is soliciting proposals and will identify proposals suitable to the City through a selection review process. The review process for thorough innovative applications meeting all eligibility requirements will consist of City staff screening followed by a selection committee comprised of business/community representatives and the City of Stockton. The committee will review only eligible applications and score them based on content, capacity, feasibility and other scoring criteria identified within this NOFA. Only applications scored in the top percentile will be considered for funding. Grants will be awarded to the applicants best able to meet the NOFA requirements.

When committee recommendations are approved by the City, all applicants will be notified through the application portal and via email.

2.2 Timeline:

NOFA Release Date	May 16, 2022
NOFA Due Date & Time	June 30, 2022, at 5:00 P.M.
Virtual Public Information Session	May 23, 2022
Deadline for Emailed Questions	June 9, 2022
Final Response to Written Questions	June 15, 2022
Award Recipients Notification	July – August 2022

Timelines to spend grant funds will be determined upon the execution of the grant agreement.

2.3 Submission:

NOFA Submittal on the City's Neighborly portal:	www.portal.neighborlysoftware.com/stocktonca/Participant Note that there are two (2) different application forms: 1) Organizations and 2) Entrepreneurs. Be sure to complete the appropriate form.
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To be considered for funding, all sections of the application must be complete and accurate. **No incomplete applications will be accepted. Process and timeline can be adjusted at any time at the discretion of the City.**

3. Eligible Activities

The intent of this NOFA is to obtain qualified applicants from organizations to provide business services to entrepreneurs and small businesses and from businesses with innovative ideas, projects, services, etc. This will also meet the goal and initiatives of the EDSAP, ultimately strengthening the entrepreneurship ecosystem for the City of Stockton. Projects must fulfill the requirements within this NOFA.

3.1 Eligible Program Costs

Program costs are limited by the requirements of the ARPA and CDBG funding parameters. Eligible expenses are approved by the City as submitted in the budget provided by the applicant. Expenses under CDBG funding can include training, technical assistance, or other support services to increase the capacity of the grant recipient or subrecipient to carry out the applicant's project activities. ARPA can provide funding assistance to small businesses that have experienced negative economic impacts from the pandemic. The City anticipates the following examples are eligible program costs under each funding program:

Expenses	ARPA- Entrepreneurs	CDBG- Organizations (*)
Technical Assistance (e.g. consultants)	X	X
Utilities	X	
Rent	X	X
Operating Expenses	X	X
Equipment	X	X
Products	X	X
Supplies	X	X

(*) Expenditures are to benefit the microenterprises

4. Organization – Applicant Response

Applicants may be from an organization providing business services to the small business community. Up to \$200,000 in grant funding is available to support business service providers efforts.

4.1 Organization – Areas of Focus

Organizations applying for grants should provide business services in one or more of the areas listed below:

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

Organizations are encouraged to provide some degree of “pitch coaching” to prepare clients for pitch event challenges and other opportunities to obtain capital investment.

4.2 Organization – Project, Proposal, & Scoring

Applications should present the services each organization proposes to provide to entrepreneurs and small businesses. Pitch coaching services provided by organizations will be weighted when scoring the applications.

Organization Scoring Matrix:

1.) Project Vision & Implementation: Application content reflective of understanding the Entrepreneurship Grant Program requirements with project approach, vision, and implementation consistent with the objectives of the City of Stockton; pitch coaching services and training provided to the business community available.	30%
2.) Agency Capacity to Deliver Project & Financial Management: Qualification of the organization, overall experience, partnerships, budget management, and experience with past City funding for expenses on a cost reimbursement basis.	25%
3.) Analysis of Program Readiness: Feasibility and demonstrated ability to implement projects without delay and in a timely manner.	15%
4.) Project Budget: projected program budget is clear and realistic; aligns with grant program requirements.	15%
5.) CDBG and/or ARPA Requirements: Provides clear explanation or documentation with the ability to meet the funding objectives and guidelines.	15%

4.3 Organization – Eligibility & Required Information

Organizations that apply for grants to provide business services to entrepreneurs and the business community, must meet the following eligibility criteria:

- Must be a business service provider or organization that provides assistance and support to entrepreneurs, start-up businesses, small businesses, etc.;
- The applicant must have a valid Business License within the Stockton city limits;
- Organizations must provide a Unique Entity Identifier (UEI), this is required to receive federal funding;
- Organizations must be able to meet spending deadlines;
- Organizations that received previous City of Stockton funding from the Entrepreneurship Grant Program must provide information on how the funds were spent; and
- Proposal must meet CDBG guidelines and provide business services to program beneficiaries of low and moderate-income (LMI) and are entrepreneurs, start-ups, and small businesses; self-certification forms are required with reporting.
 - LMI is defined as individuals with incomes at or below 80% of the area median income for the Stockton area (2021 limits):

Household Size	1	2	3	4	5	6	7	8+
80%	\$46,350	\$53,000	\$59,600	\$66,200	\$71,500	\$76,800	\$82,100	\$87,400

4.4 Organization – Reporting Requirements

All grant recipients are required to execute a grant agreement. Organizations who receive funding are required to submit quarterly reports as determined by the City. At the completion of the program, a final report is required for submittal, as determined by the City. In addition, self-certification forms must be completed by the organization’s sub-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.

Grant awards will be distributed on a reimbursement basis. Organizations must submit an invoice with supporting documentation to document how funds were spent in order to receive payment. Organizations must show how budget line items provide a direct benefit to the program beneficiaries.

4.5 Organization – Participation Requirements

All grant recipients are required to participate in efforts to strengthen the City’s entrepreneurial ecosystem. Specifically, grant recipients will be required to do

the following:

- Provide services or training to entrepreneurs/small businesses also receiving grants through this program;
- Participate in monthly Entrepreneurship Committee meetings; and
- Participate in interviews to share stories of success and photos to promote the program with the City of Stockton or partners.

4.6 Organization – Application Submittal Instructions

Submit and complete one (1) application for each activity on the City's Neighborly portal. Applications must be submitted online at: www.portal.neighborlysoftware.com/stocktonca/Participant. Note that there are two (2) different application forms: 1) Organizations and 2) Entrepreneurs. Be sure to complete the Organization form.

Submit application(s) by Thursday, June 30, 2022, before 5:00 p.m.

Submit the following items with each application. Incomplete applications will not be considered for funding.

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 grant funds would pay for if approved. *A sample budget is included on page 14.*
2. Project Description – Organizations should provide the project services available or proposed for entrepreneurs, start-ups, and small businesses. This should include all areas of focus listed in above section.
3. Previous City Grant Funding - Organizations that received previous City of Stockton funding from the Entrepreneurship Grant Program must provide detailed information on how the funds were spent, the timeline in which they were spent, and if the grant was funded in full.
4. Operational Budget- A copy of the organization's operational budget for the current fiscal year and proposed budget for the 2022-2023 fiscal year.
5. 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.
6. 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.
7. 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.
 8. Business License/Use Permit/State License (as applicable)- Please provide documentation for all that apply to the organization.
 9. Organizational Staffing Chart- Provide a staffing chart to clarify who will be responsible for all aspects of the proposed projects.
 10. Unique Entity Identifier (UEI) - A UEI is required for each **organization** that receives federal funding. Individual entrepreneurs are not required to obtain a UEI number. Numbers may be obtained at www.SAM.gov.

5. Entrepreneurs, Start-ups, & Small Businesses – Applicant Response

Applicants may be an entrepreneur, start-up, or small business with an innovative project or business concept. Up to \$200,000 in grant funding is available; a maximum of \$10,000 per applicant.

5.1 Entrepreneurs, Start-ups, & Small Businesses – Areas of Focus

This program provides funding for entrepreneurs, start-ups, and small businesses with an innovative project or business concept. Entrepreneurs, start-ups, and small businesses applying for investment in their business should fall under following areas of focus:

- Entrepreneurs, start-ups, or small businesses with innovative ideas, products or services to attract investment and create value for the business;
- Entrepreneurs, start-ups, or small businesses that will create or retain jobs; and
- Entrepreneurs, start-ups, or small businesses that can display growth, new or significantly improved products or services with better components or more user-friendly.

Entrepreneurs, start-ups, and small businesses are encouraged to participate in training and coaching related to pitch event challenges.

5.2 Entrepreneurs, Start-ups, & Small Businesses – Project, Proposal &

Scoring

Applications should present an innovative project or idea for the business. Proposals can include a project that provides innovational advancements to the business by adding value to an existing product or service, or a project that presents a new idea, process, services, or product. Projects that have leveraged funding are desired and will be weighted when scoring applicants.

Entrepreneurs, Start-ups, & Small Businesses Scoring Matrix:

1.) Innovative Project Vision and Implementation: Application content reflective of understanding the Entrepreneurship Grant Program requirements with an innovative project idea/process/product and implementation consistent with the objectives of the City of Stockton. Projects that create unique experiences for neighborhoods, including but not limited to storefront businesses, distinctive products, or services, and/or exceptional community engagement.	30%
2.) Business Capacity to Deliver Project & Financial Management: Qualification of the business, overall experience, partnerships, budget management, experience with past City funding for expenses on a cost reimbursement basis.	25%
3.) Growth & Impact: Feasibility and demonstrated ability for potential growth with this project including growth goals and potential job creation.	15%
4.) Project Budget: projected program budget is clear and realistic; aligns with grant program requirements. Leveraged financial sources of funding available.	15%
5.) ARPA requirements: Provides clear explanation or documentation to meet funding objectives and guidelines.	15%

5.3 Entrepreneurs, Start-ups, & Small Businesses – Eligibility & Required Information

Applicants must also meet the following eligibility criteria:

- Must be an entrepreneur, start-up, or small business residing and operating in the Stockton city limits;
- Entrepreneur, start-up, or small business must show the potential for growth as well as growth goals; and
- Entrepreneur, start-up, or small business must have a valid Business License within the City of Stockton limits.
- Entrepreneur, start-up, or small business must agree to receive services from organizations that provide business services and are grant recipients;
- Entrepreneur, start-up, or small business must be able to meet spending

deadlines;

- Applicant must provide description of negative economic impact experiences from the pandemic;
- Entrepreneur, start-up, or small business that received previous City of Stockton funding from the Entrepreneurship Grant Program must provide information on how the funds were spent; and

5.4 Entrepreneurs, Start-ups, & Small Businesses – Reporting Requirements

All grant recipients are required to execute a grant agreement. Grant recipients 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. The City will provide a template for each of these reporting requirements.

Grant awards will be distributed on a reimbursement basis. Recipients must submit an invoice with supporting documentation to show how funds were spent to support the approved project and project budget in order to receive payment.

5.5 Entrepreneurs, Start-ups, & Small Businesses – Participation Requirements

All grant recipients are required to participate in efforts to strengthen the City's entrepreneurial ecosystem. Specifically, grant recipients will be required to:

- Participate in interviews to share stories of success and photos to promote the program in the community with the City and partners;
- Participate in monthly Entrepreneurship Committee meetings; and
- Participate in monthly business training from an organization (grant recipient) from this Entrepreneurship Grant program for the duration of the agreement.

5.6 Entrepreneurs, Start-ups, & Small Businesses – Application Submittal Instructions

Submit and complete one (1) application for each activity. Applications must be submitted on the City's Neighborly portal at: www.portal.neighborlysoftware.com/stocktonca/Participant. Note that there are two (2) different application forms: 1) Organizations and 2) Entrepreneurs. Be sure to complete the Entrepreneurship form.

Submit application(s) by Thursday, June 30, 2022, before 5:00 p.m.

Applications submitted after the deadline will not be accepted. Submit the following items with each application. Incomplete applications will not be considered for funding.

1. Business Plan- Business plan should include:
 - Description of the business
 - Innovative product or service
 - Market information
 - Advertising
 - Facilities
 - Management and personnel
 - Summary of future plans
2. Project Description – Applications should provide a detailed description of the innovative project, business concept, service, idea, etc. This description should include all areas of focus listed in above section.
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) – The City of Stockton business license number is a requirement to apply for funds. Without a valid business license applications will be ineligible. Please provide other forms of business documentation as applicable.
5. Profit and Loss Statement- for the most recent year of the business.
6. Business Financial Statement – Balance sheet or cash flow for the most recent year of the business.
7. Project Budget- Separate from Business Financial Statement. This budget will show all funding sources and uses including line items for categories and expenses where applicable. Identify and describe in detail specific items the City funds would pay for if approved.

6. Selection Criteria and Evaluation

6.1 Application Review Process

Economic Development Department staff will perform a review of the applications for completeness, eligibility, and feasibility. If the application is incomplete or ineligible, it will not be considered for further review and/or funding.

Complete applications will be reviewed by a selection committee comprised of business/community representatives and the City of Stockton. The committee will review eligible applications and score them based on the scoring matrix for items such as content, implementation, capacity, budget, guideline requirements, feasibility, etc.

Only applications scored in the top percentile will be considered for funding. When committee recommendations are approved by the City, all applicants will be notified through the application portal and via email.

6.2 Other Information

Applying does not guarantee funding. The City reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this application process. If such an action occurs, the City will notify all interested parties. Applications received by the City will not be returned.

Applications **must be received by 5:00 p.m., June 30, 2022.**

Submit and complete one (1) application for each activity. Applications are accessible online at www.portal.neighborlysoftware.com/stocktonca/Participant. Note that there are two (2) different application forms: 1) Organizations and 2) Entrepreneurs. Be sure to complete the appropriate form. For program information or application assistance, contact City of Stockton – Economic Development Department at (209) 937-8539 or you may e-mail economic.development@stocktonca.gov.

7 Additional Considerations

7.1 Supportive Resources

Helpful Hints

The following may help your application be more competitive. Please remember submitting an application does **not** guarantee funding. City reserves the right not to fund applications.

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

Submit the application before the deadline.

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 deadline. Given the federal timeline requirements for the use of funds, the City will only recommend funding projects that are ready to begin operations and can demonstrate they can complete the project within in the time span of the grant agreement.

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

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

Letters. Letters of recommendation or endorsement are not required.

Unique Entity Identifier (UEI). A UEI is required for each organization that receives federal funding. Individual entrepreneurs are not required to obtain a UEI number. Numbers may be obtained at www.SAM.gov.

8. Sample Project Budgets

8.1 Organizations - Sample Budget

	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>

8.2 Entrepreneurs, Start-ups, Small Businesses - Sample Budget

	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>