

**Houston Equity Fund**  
**Wells Fargo Open for Business Grant Program**  
**SMALL BUSINESS - Notice of Funding Opportunity ROUND 1**  
**APPLICATIONS DUE AUGUST 23, 2022**



**Open for Business Grant Program**

The Wells Fargo Open for Business Fund is a roughly \$420 million national small business recovery effort with a focus on racially and ethnically diverse small business owners, who have been disproportionately affected by the pandemic. The fund was created from the gross processing fees that Wells Fargo received from Paycheck Protection Program loans made in 2020. Wells Fargo has donated funds to Community Development Financial Institutions (CDFIs) and local nonprofits across the nation.

In February 2022, Wells Fargo announced a \$20 million donation to the Houston Fund for Social Justice and Economic Equity, known as the Houston Equity Fund to provide small business owners with new ways to grow and own more of their businesses. The Houston Equity Fund will distribute the funding in the form of grants towards the purchase of property, equipment and other tangible assets, supporting economic development in underserved communities.

The purpose of the Open for Business Grant Program (i.e. Grant Program) is to advance the mission of the [Houston Equity Fund](#) to enact transformational change by investing resources into organizations and initiatives that empower and uplift communities of color.

A key aspect to being transformative is to embrace a rigorous process to select and fund organizations that can demonstrate direct, tangible and meaningful impact related to the pillars of the Houston Equity Fund listed below.

<b>Social and Racial Justice</b>	<b>Economic Development</b>	<b>Youth Empowerment &amp; Education</b>	<b>Community Building</b>
Social Services, Criminal Justice, Healthcare, Civic Engagement, Immigrant Rights, Environmental Justice, Domestic Violence/Human Trafficking	Support future talent, startups business owners and workforce development activities that aim to address income and wealth disparities	Provide education, literacy, innovation, mentorship, advancement, scholarship and career opportunities	Secure access to vital resources, revitalize community spaces, celebrate Black history and culture

The Grant Program is intentionally inclusive of small businesses at various stages of maturity that demonstrate a need for a grant to support their start-up, stabilization, or growth. The Grant Program will focus on serving mission-aligned diverse-owned small businesses with employees of 1-50 (including the owner). Businesses must be located in and positively impacting vulnerable communities within the City of Houston.

The Houston Equity Fund will distribute the **first round of funding (about \$5 million)** in the form of grants to small businesses and nonprofits. Grant funds must be used to purchase or upgrade tangible assets, including but not limited to property, machinery, equipment, and inventory that support economic development in underserved communities.

In addition to grant investments, businesses will receive technical assistance and educational programming to support their business success. Topics will align with grantee interests and needs, including but not limited to business accounting, customer and supplier relations, technology and data analysis, business systems and personnel resources, leadership and management, planning and control systems, and expanding capacity.

<p><b>Who is Eligible?</b></p>	<p>To be eligible to apply for funding, the <b>small business must meet ALL criteria:</b></p> <ul style="list-style-type: none"> <li>• Business established and registered with State of Texas prior to December 31, 2021</li> <li>• Business location is within the City of Houston</li> <li>• Primary business location is in and impacting a vulnerable community (see <a href="#">CDC Social Vulnerability Index Map</a>, eligible communities are in blue with an SVI score of 0.5 or higher)</li> <li>• Have 1- 50 employees, including the owner, full-time, and part-time employees and 1099 contractors engaged in an ongoing way to support your business</li> <li>• 2021 Annual Gross Revenue of \$1,500,000 or less</li> </ul> <p><b>Eligible business type:</b> sole proprietorship, limited liability company (LLC), corporation, partnership</p> <p><b>INELIGIBLE business types:</b> adult entertainment and sexually-oriented businesses; businesses whose main source of revenue comes from alcohol or tobacco sales; gambling businesses; government-owned entities or elected official offices; businesses primarily engaged in political or lobbying activities; and illegal businesses and enterprises.</p> <p><b>Business Owners</b> must be 18 years of age and reside (primary home address) in Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties.</p>
<p><b>What can the grant funding be used for?</b></p>	<p>Grant funds must be used to acquire or upgrade <u>tangible assets</u>:</p> <ul style="list-style-type: none"> <li>• Purchase of or improvements to land</li> <li>• Construction of new buildings or facilities</li> <li>• Renovations of existing buildings or facilities</li> <li>• New or upgraded machinery, equipment (including vehicles)</li> <li>• New or updated technology</li> <li>• Purchase of inventory</li> <li>• Improvements or modernization of streets, utilities, parking lots, landscaping</li> </ul>

<b>Terms</b>	Grants will range from <b>\$10,000 - \$65,000</b> for <b>tangible assets</b> . Grant award amounts will be made on a case-by-case basis. The grant period is 12 months. Funds must be fully <b>utilized/committed within 6 months</b> when the first report is due. A final report is due after the 12-month grant period.
<b>Supporting Documents</b>	<p>Applicants must provide these supporting documents to verify eligibility:</p> <ul style="list-style-type: none"> <li>• Copy of Driver’s License or government issued ID</li> <li>• Document to confirm business address (e.g., utility bill, a signed lease, business permit / license)</li> <li>• 2020 and 2021 federal business tax returns with all schedules; 2020 and 2021 personal tax returns including Schedule C for sole proprietorships</li> <li>• Quote or documentation related to cost and value of tangible asset(s)</li> <li>• Payroll documents or IRS 941 for Q1 2022 (for business with 5+ employees)</li> <li>• Business Plan (optional, if available)</li> <li>• Other financials may be requested or obtained during a final review process</li> </ul> <p>Use the <a href="#">Checklist</a> document to confirm you have all necessary documents.</p>
<b>Impact Reporting</b>	<p>Grantees will be required to submit reports at two intervals: <b>6 months</b> and <b>1 year</b>. Reports will include, but are not limited to, the following key impact metrics set by Wells Fargo:</p> <ul style="list-style-type: none"> <li>• Confirmation of final use of funds</li> <li>• Revenue growth</li> <li>• Number of jobs preserved or new jobs created</li> <li>• Of the new jobs created, how many include health care benefits / pay a living wage</li> </ul>

## Grant Program Priorities

The overarching Grant Program goal is to advance the charitable mission and four pillars of the Houston Equity Fund. In particular, the Grant Program funds will be used in furtherance of educational and charitable purposes, including but not limited to, promote social welfare through the goals of eliminating prejudice and discrimination that has prevented Small Businesses from accessing financial capital, relieving underprivileged and distressed Small Business owners, and supporting economic development in low-income and vulnerable communities, all within the meaning of section 501(c)(3) of the Code.

This grant program intends to promote economic development in communities listed as *Moderate-to-High and High* on the [CDC’s Social Vulnerability Index](#) (SVI score of 0.5 or higher). We aim to make financial capital accessible to mission-aligned small businesses that are historically underserved.

To accomplish these goals the following prioritization criteria will be used to assess small business applicants.

<b>Mission Alignment</b>	<ul style="list-style-type: none"> <li>• Aligns with one or more Houston Equity Fund pillars</li> <li>• Tangible asset to be purchased/upgraded is in clear alignment with grant intent</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Demonstrates direct, tangible, and meaningful impact on Houston Equity Fund pillars and economic development within a vulnerable community</li> <li>• Grant will result in greater community impact than access to other conventional financing</li> <li>• The business projects create 1 or more jobs and/or an increase in revenue within a 6-month period</li> </ul>
<b>Need</b>	<ul style="list-style-type: none"> <li>• Demonstrate a compelling use for a grant (as opposed to a loan) to acquire or upgrade a tangible asset to support business start-up, stabilization, or growth</li> <li>• The business is or is intended to be a primary source of income</li> <li>• Low-moderate income small business owners (<a href="#">120% or less Area Median Income</a>)</li> </ul>
<b>Business Structure</b>	<ul style="list-style-type: none"> <li>• Less than \$1,500,000 in annual revenue (gross receipts)</li> <li>• Owns meaningful business/nonprofit assets (i.e.: cash, land, building, equipment, or inventory)</li> </ul>
<b>Target Population</b>	<p>Self-identifies with one or more of the following target populations:</p> <ul style="list-style-type: none"> <li>• Black/African American, Latino/Hispanic and Asian owned businesses</li> <li>• Immigrant or foreign-born small business owners</li> <li>• Small business owners whose primarily language is not English</li> <li>• First-generation small business owners</li> <li>• First-generation high school graduate or college graduate</li> <li>• Older adult (50 years of age or older) small business owners</li> <li>• Small businesses owned by people with disabilities</li> <li>• LGBTQ+ small businesses owners</li> <li>• Gender non-conforming or non-binary small business owners</li> <li>• Small businesses owned military service members and/or veterans</li> </ul>

## How to Apply

Apply Online at <https://www.houstonequityfund.com/english/>

To be considered for this small business funding opportunity, all applicants must:

- 1) Submit a completed application by the Round 1 deadline
- 2) Submit all supporting documentation with their application
- 3) Be in compliance with applicable federal, state, and local laws, regulations, codes, and requirements and do not owe any federal, state, or local taxes prior to July 1, 2022.

**Application Launches:** August 9, 2022, 9:00am

**Application Deadline:** August 23, 2022, 11:59 pm

**Award decisions Announced:** Fall 2022

The application will be available in English, Spanish, Vietnamese, and Chinese (Simplified).

## Questions?

For more information about this grant opportunity, please visit the Houston Equity Fund website at [www.houstonequityfund.org](http://www.houstonequityfund.org) and review the [Wells Fargo Open for Business Grant Program](#) page.

On this page you can access the program materials including **Sample Application, Frequently Asked Questions (FAQ), Guidelines,** and a **Checklist.**

In addition, you will find more information about **Informational Sessions** that will be hosted for interested applicants and recordings made available to the public on the [Houston Equity Fund homepage](#).

Once the application opens on August 9th, 2022, if you experience a technical difficulty with the online portal please [submit a question using this online form](#).

**Due to the high volume of applicants expected, the Houston Equity Fund will respond to all other questions in an FAQ document that will be updated weekly and available on the [Wells Fargo Open for Business Program](#) homepage.**