

## Houston Equity Fund

### Wells Fargo Open for Business Grant Program

#### ROUND 2 - SMALL BUSINESS FUNDING OPPORTUNITY

**APPLICATIONS DUE MAY 31, 2023 at 11:59pm CST**



### 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.

#### ***Awarding \$8 million in grant funding for Round 2 of the Wells Fargo Open for Business Grants Program!***

This opportunity supports mission-aligned diverse-owned small businesses and nonprofits within the City of Houston that positively impact vulnerable communities. Grant funds must be used to acquire or upgrade tangible assets. 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.

### Houston Equity Fund's Pillars for Transformational Change

The purpose of the Open for Business Grant Program (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.

Social and Racial Justice	Economic Development	Youth Empowerment & Education	Community Building
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 will focus on serving mission-aligned diverse-owned small businesses with employees of 1 - 100 (including the owner). Businesses must be positively impacting, vulnerable communities within the City of Houston.

The Houston Equity Fund will distribute the **second round of funding (about \$8 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.

## 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 (as described above) who are contained within the Grant Program’s [Geographic Eligibility Map](#). 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>Projected job or revenue growth 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>Target Population</b>	<p>Self-identifies with one or more of the following target populations:</p> <ul style="list-style-type: none"> <li>Diverse-owned or women-owned small businesses</li> <li>Immigrant or foreign-born small business owners</li> <li>Small business owners whose primary 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> </ul>

	<ul style="list-style-type: none"> <li>• Gender non-conforming or non-binary small business owners</li> <li>• Small businesses owned military service members and/or veterans</li> </ul>
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## Eligibility & Selection Criteria

<p><b>Who is Eligible?</b></p>	<p><b>Applicants must meet ALL the following criteria to be eligible to apply:</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>• The tangible asset must be invested in and impacting a vulnerable community as identified in the <a href="#">Geographic Eligibility Map</a> <ul style="list-style-type: none"> <li>○ <b>Mobile and Home Businesses</b> should refer to FAQs for further details clarifying geographic eligibility</li> </ul> </li> <li>• Have 1- 100 employees, including the owner, full-time, and part-time employees and 1099 contractors engaged in supporting your business</li> <li>• 2022 Annual Gross Revenue of \$3,000,000 or less</li> <li>• Business type is a sole proprietorship, limited liability company (LLC), corporation, or partnership</li> <li>• Business owners must be 18 years of age and reside in Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller counties, as their primary home address.</li> </ul> <p><b>INELIGIBLE Businesses:</b> adult entertainment and sexually oriented businesses; businesses whose main source of revenue comes from alcohol or tobacco sales; gambling businesses; pawn shops; check cashing businesses; government-owned entities or elected official offices; businesses primarily engaged in political or lobbying activities; and illegal businesses and enterprises. <b>Round 1 Grantees are not eligible to apply for Round 2.</b></p>
<p><b>Grant Terms</b></p>	<p>All grants must be used to acquire or upgrade eligible <b>tangible assets</b>, defined as:</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 or equipment</li> <li>• New or updated technology</li> <li>• Purchase of inventory</li> <li>• Improvements or modernization of streets, utilities, parking lots, landscaping</li> </ul> <p>The grant period is 12 months. Funds must be fully <b>utilized/committed within 6 months of award.</b></p>
<p><b>Award Range</b></p>	<p>Grant awards will range from <b>\$5,000 - \$65,000</b>. Grant award amounts will vary by applicant. For all applicants, award size is determined based on, but not limited to, the following factors:</p> <ul style="list-style-type: none"> <li>• External objective reviewer scores and award recommendation</li> <li>• Rigorous due diligence process</li> <li>• 2022 Gross Revenue</li> </ul>

	<p><b>New! Limited Funding Opportunity</b></p> <p>In Round 2, the Houston Equity Fund has allocated \$500,000 to award approximately six or fewer grants ranging from <b>\$75,000 - \$100,000</b> to high scoring applicants that qualify. To be considered for this opportunity, applicants must:</p> <ul style="list-style-type: none"> <li>• Have plans to invest in a <b>capital-intensive asset</b>, such as facility construction or renovations, land, machinery, or equipment, which will facilitate the business’ growth and greater community impact.</li> <li>• Complete <b>supplemental proposal questions</b> that demonstrate how this investment will impact the business and the community served by the business.</li> <li>• If needed, be willing to participate in an <b>interview</b> process prior to selection. Translation support will be made available for applicants in Spanish, Chinese, Vietnamese, and American Sign Language.</li> </ul> <p>We recommend applying for a grant award size reasonable to your business’ operating capacity, goals, and needs.</p>
<p><b>Supporting Documents</b></p>	<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 the business address meets the geographic eligibility requirements (e.g., utility bill, a signed lease, business permit / license, an IRS EIN letter, or certificate of insurance) <ul style="list-style-type: none"> <li>○ <b>Mobile Businesses</b> may provide a document verifying that the business operates at a location within our <a href="#">Geographic Eligibility Map</a>. See <b>Checklist</b> for document examples.</li> </ul> </li> <li>• 2021 and 2022 federal business tax returns with all schedules <ul style="list-style-type: none"> <li>○ Sole Proprietors: 2021 and 2022 personal tax returns including Schedule C</li> </ul> </li> <li>• Quote 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>Businesses that want to be considered for an award ranging between \$75,000 - \$100,000 must also submit supplemental materials with their application, including:</p> <ul style="list-style-type: none"> <li>• Supplemental Budget Request</li> <li>• Most recent Annual Profit &amp; Loss Statement</li> <li>• Most recent Annual Balance Sheet</li> <li>• Business Plan</li> </ul>
<p><b>Impact Reporting</b></p>	<p>Grantees are required to submit two reports at <b>6 months</b> and <b>1 year</b> after grant funds are awarded. 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 / how many pay a living wage</li> </ul>

## How to Apply

Application materials are available online at [www.houstonequityfund.org](http://www.houstonequityfund.org) in [English](#), [Spanish](#), [Vietnamese](#), and [Chinese \(Simplified\)](#).

Please follow these steps to access the application, **opening on May 15, 2023, at 5:00 AM CST**:

- Step 1) Complete the required **Eligibility Screener**.
- Step 2) If eligible, check your email for a link to the online **Application Portal**.
  - Only applicants determined eligible will receive a link to create an account and profile required to access the application portal.
  - If your organization is determined eligible, but you do not receive an email, please check your spam folder for an email from [noreply@houstonequityfund.org](mailto:noreply@houstonequityfund.org).
- Step 3) Create a **Profile**.
- Step 4) Complete the **Application** and upload all supporting documents.
  - Use the Checklist to gather all supporting documents.
- Step 5) Submit by the **Deadline**.

**Application Deadline: 11:59 PM CST on Wednesday, May 31, 2023**

Key Dates	
Information Sessions - <i>In-person &amp; Online!</i>	May 8, 2023 – May 31, 2023
Application Opens	May 15, 2023 at 5:00 AM CST
Application Closes	May 31, 2023 at 11:59 PM CST
Award Announcements	Fall 2023

## Questions?

For more information about this grant opportunity, please visit the Houston Equity Fund website at [www.houstonequityfund.org](http://www.houstonequityfund.org). On this page you can access the program materials including **Sample Application**, **Frequently Asked Questions (FAQ)**, **Guidelines**, and a supporting documents **Checklist**. In addition, you will find more information about **Informational Sessions** that will be hosted for interested applicants.

Please submit all **questions about the application or eligibility requirements** online at: <https://houstonequityfund.org/contact-us/>

**Due to the high volume of applicants expected, the Houston Equity Fund will not have capacity to individually respond to inquiries. Frequently Asked Questions (FAQ) will be addressed in an FAQ document updated to the extent possible.**

Please submit all **technical support inquiries** related to issues with the online application portal at:

<https://webportalapp.com/webform/ofb-technicalsupport>

## Application Rules & Conditions

All applicants must observe the following rules and conditions to be considered for funding. Applicants who fail to meet these rules and conditions will be declined from consideration for this grant opportunity.

- **One Application Per Person.** No person or entity shall submit more than one application. Applicants who own or lead two or more different entities (businesses or nonprofits), even if they operate under separate Tax Identification Numbers, may only apply for a grant for one entity. Applicants who submit multiple applications, whether for the same entity or different entities, will be declined.
- **No Contact.** Applicants who directly contact the Houston Equity Fund Board of Directors, Program Staff, or the Grant Administrator (GHCF) to request support, endorsement, or preference for their application will be immediately declined.
- **Shared Application Information.** Applications that share duplicated information, whether exact or approximate, will be declined. Application information should be unique to your specific business.
- **Ineligible Asset Requests.** Applications requesting any ineligible asset(s), such as rent, operating expenses, payroll, or employee benefits, will be declined. This policy applies to all applicants, including those who request both eligible and ineligible assets within the same application.
- **Incorrect or Inaccurate Supporting Documents.** All applicants must verify that the information provided in their supporting documents is accurate before submission. Supporting documents will be reviewed to verify information provided in your application. Applications with incorrect or inaccurate supporting documents will be declined.
- **Clean Hands Policy.** Applicants should be aware that Grantees will be asked to affirm that the business owner(s) has not been convicted or named as a defendant in any criminal or civil matter involving fraud, theft, embezzlement, perjury or misrepresentation. If such a conviction or charge has occurred against the Grantee and/or an applicable lawsuit has been filed against the Grantee, the Grantee must fully advise the Houston Equity Fund of the facts and circumstances surrounding such conviction, charge, and/or lawsuit to determine whether applicant remains eligible to receive the grant.
- **Good Business Standing.** Applicants must be in compliance with applicable federal, state, and local laws, regulations, codes, and requirements. Applicants should not owe any federal, state, or local taxes prior to July 1, 2023.

For more information on learning opportunities available to the public, please sign up for our newsletter at

<https://www.houstonequityfund.org/>