CDBG-DR Small Business Support Program

Funding Recommendations

Planning, Economic Development & Environment (PEDE) Committee

Elma King, CDBG-DR Program Manager

January 20, 2026

THE CITY OF ASHEVILLE

SMALL BUSINESS SUPPORT PROGRAM



Key Takeaways

- The City's CDBG-DR Action Plan allocated $17,000,000 to the Small Business Support Program (SBSP).
    - This program includes $15,500,000 for direct business support, $510,000 for business planning support/mitigation, and $990,000 for administrative costs.
- The Notice of Funding Opportunity (NOFO) detailed evaluation criteria and reflects key priorities heard from robust engagement including:
        - Rapid deployment of funds to address the urgent needs of our small business community.
        - Tailored programming that meets the needs and priorities identified through community engagement.
- On October 31, 2025, staff issued a NOFO which received five (5) applications.
- The Planning Economic Development & Environment Committee is being asked to make final recommendations for City Council consideration on January 27.

THE CITY OF ASHEVILLE

CDBG-DR Small Business Support Program Launch

THE CITY OF ASHEVILLE

Program Priorities

- The Small Business Support Program must comply with federal regulations, however, it was refined to reflect key considerations highlighted through robust engagement.
- Program priorities include:
  - **Responsive:** Provide critical business support quickly while complying with federal requirements.
  - **Efficient:** Provide these resources in a way that reduces burdens on business owners.
  - **Effective:** Ensure these funds address the needs of critically impacted sectors and businesses that may experience more difficulty accessing resources.
  - **Strategic:** Ensure these funds provide a lasting impact to Asheville's economy and workforce.

THE CITY OF ASHEVILLE

Engagement Priorities Informed Design

Summarized Engagement Priorities	Responsive Program Design
Have a speedy process. Use forgivable models – relief that doesn't add debt.	-Issued the direct business support NOFO first, with grants instead of loans. -NOFO criteria assessed applicant's ability to deploy funds quickly. (E.g., existing programs, staff experience/ability to assess businesses, manage grant funds, and comply with federal requirements)
Streamline business applications and simplified eligibility.	-NOFO criteria assessed applicant's ability to provide resources and/or simplify steps that reduce barriers to accessing grants. (E.g., leveraging partnerships, providing grant guidance)
Select subrecipients who can deliver maximized community reach and effective support.	-NOFO criteria assessed applicant's ability meet the needs of critically impacted sectors and businesses that may have more trouble accessing resources. (E.g., a clear understanding of the needs and a tailored funding program that can meet these needs).
Leverage public dollars responsibly.	-NOFO criteria assessed applicant's ability to add value or innovate. (E.g., leveraging resources, program design, communicating lasting program impacts to the broader economy/workforce).

Small Business Support Program Funding Overview

To provide **responsive support**, the Small Business program was prioritized while the remaining economic revitalization programs continue to be developed.

Category	Amount
Program Administration Costs	$990,000
Direct Business Support (Current NOFO)	**$15,500,000**
Business Planning/Mitigation Support (To Be Issued in a Separated NOFO)	$510,000
Program Total Allocated	$17,000,000

THE CITY OF ASHEVILLE

NOFO Launch Process

- The NOFO content and evaluation criteria were developed to comply with federal regulations while reflecting key engagement priorities: **responsive, efficient, effective, strategic**.
- Potential applicants were invited to a virtual Q & A session and were able to ask questions about the process and/or the funding opportunity. Questions were also received via email.
    - Responses to written questions were published on AshevilleRecovers.org.
- To be as clear as possible on how subrecipient organizations were going to be measured and evaluated, the NOFO provided detail on the evaluation process and provided guidance on our expectations for a strong program proposal.

THE CITY OF ASHEVILLE

Evaluation Criteria

The evaluation criteria articulated in the NOFO, and summarized below, assesses how well the applicant can provide quality outcomes that directly relate to the priorities, community needs, and federal requirements.

Category	Description
Applicant Capacity	Considers applicant's experience and skills/experience of proposed staffing plan. Also considers any notable achievements by the applicant in this field of work.
Need/Extend of Problem	Considers applicant's understanding of the problem, application's relevance to the program goals, and evidence/justification that the application understands the problem.
Soundness of Approach	Considers applicant's presented approach - including scope, strategy, timeline/milestones, program risk identification/mitigation measures, staffing/resources, value add or innovation.
Leveraging Resources	Considers what other resources such as partners, funding, or in-kind services might be involved, and how those resources add value or innovation to the program.
Achieving Results	Considers the proposed performance measures, their alignment with the program goals, and whether they are realistic and the expected outcomes are backed with evidence.

Evaluation and Recommendation Process

- The NOFO provided detail on the evaluation process and guidance on expectations for a strong program proposal.
- Applications were first reviewed for eligibility. **All applications received were eligible.**
- An evaluation panel reviewed and scored the applications.
    - Panel members consisted of staff with backgrounds in small business support, business inclusion, economic development, grant administration, and finance.
- A cross-departmental steering committee developed the funding recommendations.
- Awards are recommended for each application based on the evaluation criteria and then voted on by the PEDE committee and City Council.

CDBG-DR Small Business Support Funding Recommendations

THE CITY OF ASHEVILLE

Application and Request Summary

- **Applications:** 5
- **Total Funding Requested:** $21,355,000
- **Total Funding Available:** $15,500,000

Organization	Total Budget Proposed
Institute Capital (ICAP)	$5,000,000.00
Venture Asheville	$855,000.00
Mountain BizWorks	$10,000,000.00
Eagle Market Streets	$2,750,000.00
Arts AVL	$2,750,000.00
Total	**$21,355,000.00**

THE CITY OF ASHEVILLE

Application Overview - Optimist Ventures

- **Venture Asheville – Optimist Ventures Fund and Accelerator**
  - Provides a combination of grants and capital investment to locally rooted, high-potential companies that combine innovation with sustainable growth to restore and grow Asheville's innovation-driven economy.
  - Offers mentorship, navigational support, mitigation, and resilience strategies.
  - Program leverages an additional $1,250,000 local match, from philanthropic and corporate partners with 88% of funds direct to beneficiaries.
  - Committed to 150+ jobs created or retained; 30 grants split over one cohort per year for three years for very targeted support.
  - Experienced with federal funding compliance.

- **Evaluation Takeaways**
  - Second ranked score
  - Proposal offers leverage of funds with match
  - Aligns with community engagement feedback and program priorities
    - Model encourages lasting economic impact

THE CITY OF ASHEVILLE

Application Overview - Asheville Recovers Together

These organizations submitted as part of the **Asheville Recovers Together Small Business Grant Program** *but had to be separately evaluated*. The partnership proposes that there is one portal for entrepreneurs that supports a streamlined application and reporting process. It intends to fast track grants ranging from $5,000-$75,000; commits to the creation/retention of 1,000 LMI jobs; issuance of 650 grants, and 96% of funds direct to beneficiaries.

- **Mountain BizWorks – Asheville Recovers Together Small Business Grant Program**
  - Hosts the back-end administration of the grant program, including application scoring, eligibility verification (LMI, etc), duplication of benefits, fraud prevention, and grant award management and reporting.
  - Manages technical assistance and community partners.
- **ArtsAVL – Asheville Recovers Together Small Business Grant Program**
  - Conducts targeted outreach to arts businesses and oversees an arts-focused application review process.
  - Demonstrated experience and capacity to implement this program.
- **Eagle Market Street – Asheville Recovers Together Small Business Grant Program**
  - Conducts targeted outreach to LMI businesses.
  - HUD/CDBG experience in partnership with Mountain BizWorks.

THE CITY OF ASHEVILLE

Application Overview - Asheville Recovers Together

- **Evaluation Takeaways**
  - First, third and fourth ranked scores.
  - Proposal offers tailored grant distribution to business needs.
  - Aligns with community engagement feedback and program priorities:
    - Strong, effective partnerships while offering a “one-door” website/applicant portal
    - Model is efficient and timeline is responsive and well-planned

Application Overview

- **Institute Capital (ICAP)**
  - Provides grants to eligible businesses in LMI communities or census tracts (51%)
  - Up to $25,000 per business, with 170-200 grants anticipated
  - Committed to at least 1 job created/retained per grant & 85% direct to beneficiaries.
  - Experience issuing forgivable loans after Hurricane Matthew and co-facilitating NC's RETOOLNC $22M COVID-19 state grant program.

- **Evaluation Takeaways**
  - Fifth-ranked score
  - Higher grant administration costs
  - Insufficient data to demonstrate ability to achieve intended outcomes
  - Community engagement feedback and program priorities recommended a streamlined process. Multiple subrecipients offering similar services is not recommended.

Staff does not recommending funding for ICAP through this NOFO, but encouraged the applicant to continue to seek other opportunities such as steady state CDBG.

THE CITY OF ASHEVILLE

CDBG-DR Team Recommendation

Staff Recommendation: Allocate **full funding for the highest scoring** applicants. Allocate **partial funding, split evenly** between the two remaining partnered applicants.

- Rationale:
  - The combined Asheville Recovers Together Small Business Grant Program proposed a larger budget for the top scorer, Mountain BizWorks, and proposed an even split for the remaining request between ArtsAVL and Eagle Market Street.
    - The award recommendations follows this same framework with partial funding.

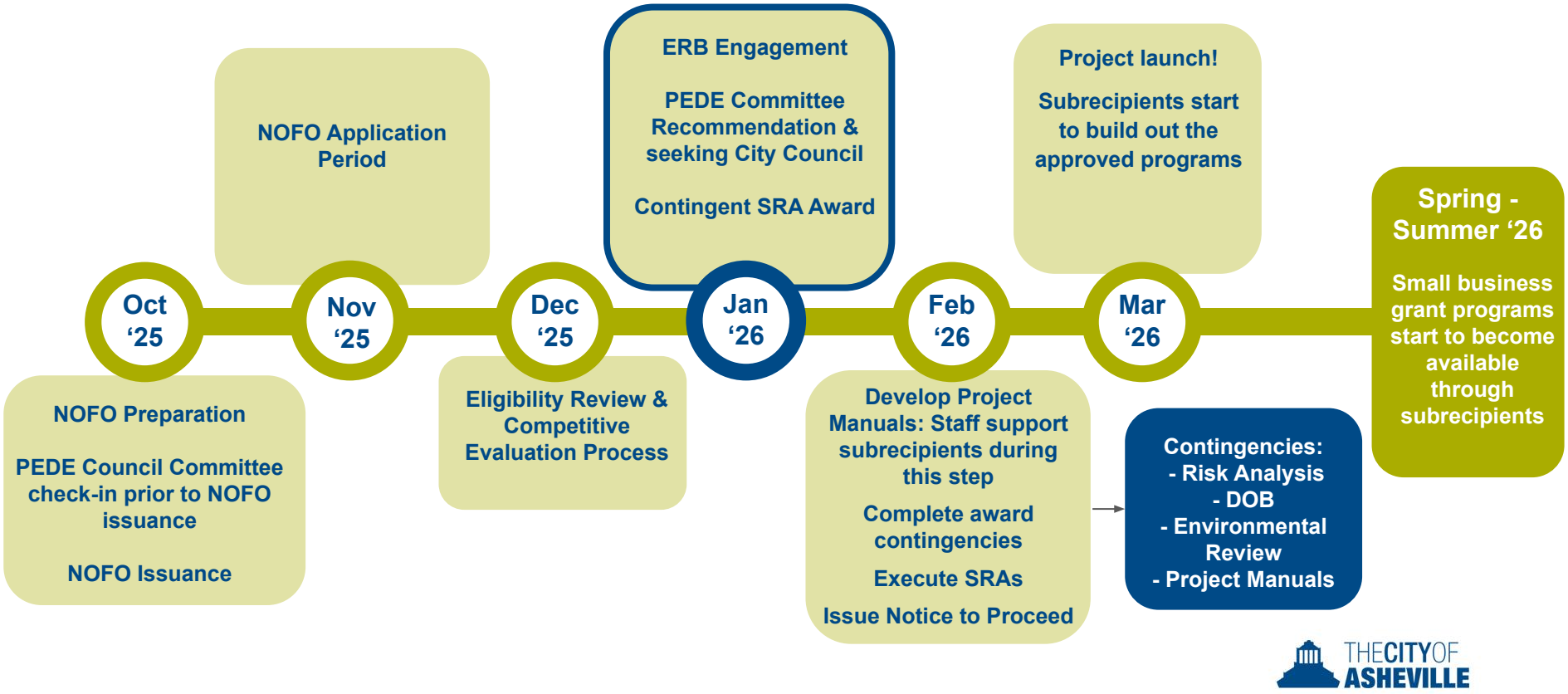
- Recommendations made are based on the quality of the proposals reflected in the scores and comments, **they maximize the percentage of funds going directly to beneficiaries** (which is 96.00% for the partnership and 88% for Venture Asheville). The recommendations allow the City to **leverage local private match** (Venture Asheville), allows for ensuring **a broad scope (targeting specific sectors and populations and overall businesses and LMI) and high number of grants** (the partnership proposes 650 grants as a sort of economic stimulus) while also allowing for an innovative engagement (Venture Asheville) that incorporates a more lasting economic impact. Our recommendations reflect our desire to reach broad community reach/engagement.

THE CITY OF ASHEVILLE

CDBG-DR Team Recommendation

Organization	Program Title	Score	Total Budget Proposed	Total Award Recommendation
Mountain BizWorks	Asheville Recovers Together Small Business Grant Program	35.23	$10,000,000	$10,000,000
Venture Asheville	Optimist Ventures Fund and Accelerator	34.4	$855,000	$855,000
Arts AVL	Asheville Recovers Together Small Business Grant Program	34.27	$2,750,000	$2,322,500
Eagle Market Streets	Asheville Recovers Together Small Business Grant Program	29.37	$2,750,000	$2,322,500
Institute Capital (ICAP)	N/A	17.97	$5,000,000	$0
Total			**$21,355,000**	**$15,500,000**

Where Are We & What Happens Next?



THE CITY OF ASHEVILLE

Summary of Economy Recovery Board Feedback

- The Economy Recovery Board moved to unanimously support the funding recommendations for the Small Business Support Program.
- The board had questions about:
  - Their role in communications and information sharing;
  - Whether businesses in sectors served by ArtsAVL and Eagle Market Street can be considered for funding through all the subrecipients or only the specific entity;
  - Whether eligibility criteria is different from Asheville-Buncombe Rebuilding Together implemented by Mountain BizWorks in 2024-2025; and
  - How applicants will support LMI individuals and businesses and whether the city has considered how best to conduct outreach to historically underserved communities and hard-hit sectors.

Key Takeaways

- The City's CDBG-DR Action Plan allocated $17,000,000 to the Small Business Support Program (SBSP).
    - This program includes $15,500,000 for direct business support, $510,000 for business planning support/mitigation, and $990,000 for administrative costs.
- The Notice of Funding Opportunity (NOFO) detailed evaluation criteria and reflects key priorities heard from robust engagement including:
        - Rapid deployment of funds to address the urgent needs of our small business community.
        - Tailored programming that meets the needs and priorities identified through community engagement.
- On October 31, 2025, staff issued a NOFO which received five (5) applications.
- The Planning Economic Development & Environment Committee is being asked to make final recommendations for City Council consideration on January 27.

THE CITY OF ASHEVILLE

Suggested Motion

Recommend that City Council authorize the City Manager to execute agreements between the City and Mountain BizWorks in the amount of $10,000,000, Venture Asheville in the amount of $855,000, Arts AVL in the amount of $2,322,500, and Eagle Market Streets Development Corporation in the amount of $2,322,500.

THE CITY OF ASHEVILLE

Thank you!

THE CITY OF ASHEVILLE