



Community Business Launch

2026 Program Guidelines



Department of Housing and Community Development
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Applications Accepted in CAMS Starting: February 3, 2025

Last Day Applications Accepted on CAMS: April 25, 2025

CBL Projects Must be Complete: One (1) year from contract signature

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Introduction

The Community Business Launch (CBL) is a place-based entrepreneurial development strategy that meets a critical need or gap in the community's market by filling a concentration of vacancies, reactivating white elephant buildings or underutilized properties with expansion or start-up ventures. Local CBL programs train entrepreneurs, creatives, producers, and small business owners on best practices in business planning and operations. This training culminates in a group of finalists pitching their ideas to a panel of judges, with winners receiving grant funding and support services from the community to kick-start or expand their venture.

It is not uncommon for the grant to be a starting point for multiple cohorts of entrepreneurs to go through a targeted training curriculum once the community has successfully executed the DHCD-funded CBL. When preceded by thorough market awareness and holistic outreach, then followed by ongoing business retention efforts, a CBL program is a key building block in a coordinated, comprehensive, and sustainable entrepreneurial eco-system of community-based entrepreneurs and small businesses at all stages of life. Communities that continue to offer services and curriculum to new and existing businesses are most likely to cultivate an enduring business community in their footprint, creating a culture of local wealth building.

Available Funds

The maximum CBL award for FY26 is \$100,000 per community/applicant depending on matching funds from the applicant. The Virginia Department of Housing and Community Development will administer these funds under the Community Business Launch (CBL) Program.

DHCD awards funding to implement community based small business development strategies, provide small business training, conduct a business plan competition, and to provide mentorship and/or business retention services to graduates of the program regardless of their status as pitch winners.

CBL Requirements

The following entities are eligible to apply for FY26 CBL:

- local governments,
- non-profit economic development organizations,

- Main Street organizations,
- regional economic development groups, and
- chambers of commerce

Uses of Funds

Grant money for CBL programming may be used for:

1. Administration: the coordination of all program details and calculated wages associated with such work. Pay stubs or documentation of hours worked must be submitted during program monitoring, reporting, and close out. No more than 10% of the total CBL grant may go towards administration of the program.
2. Marketing and outreach: Communicating market demand, priority business types, and recruiting entrepreneurs. Grantees will utilize videos, newspaper ads, social media campaigns/boosts, website landing pages, direct in-person outreach, and/or printed materials to promote the program.
3. Knowledge Sharing: includes the trainers and facilitators of business classes, educational materials, and mentorship/business retention activities and services for class participants. Fees for training and mentorship programs would be included in the training category. No more than 30% of CBL funding may be used for this category.
4. Business Awards: A minimum of 50% of the total CBL grant must go to business competition winners in the form of cash prizes. Prize funds for the winners of the competition may be used for: working/operating capital, rent/real estate, renovations, equipment, inventory, and wages and benefits for new employees.

Applicants may subcontract for services to complete a CBL, such as curriculum providers. Applicants interested in subcontracting services for CBL must follow their organizations procurement policy in acquiring subcontractors. Subcontractors cannot receive more than 30% of the applicant's total CBL funding request.

Required Grantee Matching

FY26 CBL applicants must match DHCD funds as follows:

- Applicants seeking up to and including \$50,000 must match with at least 25% (\$12,500) in cash and/or in-kind support. **At least \$10,000 of this match must be in cash.** All the grantee cash match must go toward business prizes for the pitch competition.

- Applicants seeking between \$50,001 and \$75,000, inclusive, must match with at least 50% (\$25,00-\$37,500) in cash and/or in-kind support. **At least \$20,000 of this match must be in cash.** All the grantee cash match must go toward business prizes for the pitch competition.

- Applicants seeking between \$75,001 and \$100,000, inclusive, must match with at least 100% in cash and/or in-kind support. **At least \$30,000 of this match must be in cash.** All the grantee cash match must go toward business prizes for the pitch competition.

Proof of match must be provided as an attachment to the application. Examples of acceptable match proof can be, but are not limited to, a letter of support with sponsoring organization, a copy of the deposited check, etc.

In-kind support may include but is not limited to:

- staff/volunteer hours to implement CBL programming
- landlord/tenant rent negotiation packages such as 3-6 months reduced lease payments
- pro-bono services to businesses provided by local attorneys, accountants, contractors, etc.
- and/or free business association or Chamber of Commerce memberships

Targeted Area: Available Vacancies or Underutilized Properties

Applicants are required to identify a targeted property/properties of focus in which CBL businesses will locate/expand to receive funding.

Examples of targeted areas include, but are not limited to, urban neighborhood commercial districts and historic downtowns with clustered, move-in ready vacancies, vacant shopping centers or buildings with multi-tenant incubator potential, and vacant lots or infill locations that can be reactivated with entrepreneurial activity. Properties should ideally be connected by unifying streetscaping and public amenities as much as possible. Examples of unifying streetscaping and amenities include, but are not limited to:

- side walks
- streetlights
- street furniture, and
- crosswalks
- trails

Applicants should demonstrate participation/support of property owners within their targeted areas and submit a [property description sheet](#) and map of the targeted area as part of the application.

Prizewinning Business Requirements

Business participants must be ready to locate inside the targeted area if they participate in the pitch competition and must open/expand in the targeted area to be eligible for CBL funding. In addition, it is the intent of CBL to generate business activity and tax revenue for the applicant locality, therefore non-profits will be ineligible for award funding.

Business Participant and Prizewinning Business Requirements include:

1. An “orientation” as part of programming in which businesses interested in participating in CBL are made aware of all requirements to receive funding, as well as how their business plans and pitches will be evaluated. Business participants who intend to move forward with the curriculum should sign a “Participant Agreement”, outlining these requirements. View an example of a [Participant Agreement](#). This can be presented prior to classes beginning or included as part of an application to participate.
2. A Memorandum of Understanding (MOU) between applicant organization and all business participants receiving DHCD funds, outlining the deadline for business openings, where they intend to locate, what they intend to use funds for, how many full-time equivalent jobs they intend to create and/or retain, and agreeing to grantee reporting requirements annually for three years. View an example of a [Prizewinning Business MOU](#).

Business Plan Competition Guidelines

Market Analysis and Outreach

Building a pipeline of potential business owners is the first step to a successful CBL program. Applicants/grantees are strongly encouraged to proceed a CBL program with a market understanding of retail and service leakages, a community needs assessment, and an analysis of the market potential of the target area. With this data, a locally based CBL program coordinator can begin to recruit aspiring entrepreneurs who are already actively engaged in those types of businesses. Please use this [template](#) or similar format, if a formal study has not been conducted to attach to the application.

Marketing the program widely is key to an inclusive and successful CBL program, including direct outreach. There is no single profile or background for a successful entrepreneur. A CBL entrepreneur recruiter should be someone who can easily talk to anybody and open doors for a wide range of people in the community, including people who have not been asked to be part of the business community before.

Business Curriculum

CBL grantees must host a small business curriculum (six weeks minimum) that include the following **REQUIRED** five business plan components:

- A. Legal structure
- B. Marketing (including website and social media development), Sales, and Advertising)
- C. Operations (Human resources/hiring, inventory management and distribution, and logistics)
- D. State and Local Compliance (licensing, permitting, health code requirements, insurance, etc.)
- E. Financial Planning & Management (including bookkeeping, profit & loss statements, breakeven analysis, business taxes, and other resources for financing a business)

The classes and competition must be open to anyone interested in learning how to open or expand a business and must be free of charge. It is preferred that the grantee hold CBL classes in-person, in the locality the CBL is targeting, or make every effort to provide a physical space in the locality for participants to gather and learn together. Classes can be recorded or offered virtually to participants, but additional opportunities for businesses to network with each other is encouraged. CBL programs should make every effort to be inclusive in their marketing and to recruit a diverse group of entrepreneurs that reflects the makeup of the community, with extra effort to reach those entrepreneurs and small businesses that have historically lacked access to such opportunities. Applicants are encouraged to allow participation from entrepreneurs who may not intend to compete for funding.

In addition to classes, communities with successful CBL outcomes also offer long-term mentoring and business counseling to class participants for at least another year after the pitch night. Business start-ups often encounter unexpected difficulties during their early years. Experienced business counselors can help guide new business owners through common pitfalls and keep them on track to meet their goals.

Pitch Competition & Business Plan Evaluation

Small business curriculums must culminate in a business pitch competition with a panel of judges and prizes for the winning business idea(s). Businesses must be evaluated on both their business plan and their pitch, and each business plan should include all five of the required business components covered during training and referenced under “Knowledge Sharing”. Prizes must include DHCD grant funds in addition to the local partner’s matching resources such as cash funds, in-kind services, and/or rent allowances. Business participants should be aware of the programs scoring rubric and how they are being evaluated, and as much as possible, judges should be transparent in their evaluations and decision-making, offering follow-up resources for non-winners to pursue to keep their ideas moving forward. Businesses should also be aware of what the programs prize packages entail. Please use this [template](#) or a similar one for the Pitch Night Prize Package Resource Worksheet.

Grantees may combine pitch competition and award ceremonies into one event, however, these must be held in the locality of the CBL target area. Grantees should advertise this event to the local community in advance, to generate support and excitement for the new or expanding business awardees.

Recommended Matching

In addition to cash prizes, DHCD recommends that communities use the CBL program to identify in-kind support such as professional services, business group memberships, trade discounts, build out budgets for their retail space, and discounted or pro-rated rent schedules for winning businesses. Both class participants and prizewinners should meet local business leaders, especially those with linkages to the business ideas in the classroom.

It is recommended that applicants provide additional financial assistance and resources to business participants looking to capitalize their business idea, regardless of whether they are selected for grant awards. Additional financial assistance and resources can include, but are not limited to:

- local funding pools such as revolving loan funds
- Community Development Financial Institutions (CDFI) in your service area offering low- to no-interest loan funds
- Local or regional investor circles, etc.

Businesses should be directly connected/introduced to these resources by the program administrator.

Retention and Repetition

After the pitch competition is over, many CBL recipients provide ongoing business support to retain and grow the businesses that take root during the CBL process. As the overall business community starts to see results, CBL grantees often repeat the CBL cycle with new funding sources. Applicants that think long-term about business retention activities and funding sources for subsequent cycles after DHCD exits the program typically see the most durable and impactful results.

Application Requirements

All grant proposals and supporting documentation must be submitted in CAMS by 5:00 PM on April 25. Proposals not submitted accordingly will be disqualified. **DHCD invites and encourages applicants to discuss their concepts with DHCD prior to submitting the application in CAMS.** If you have any questions please contact Jessica Hartness at 804-837-6399 or jessica.hartness@dhcd.virginia.gov.

Applicants must submit completed responses to all appropriate questions and include all required attachments. The following attachments are required at the time of submission:

- A. Map of the targeted area with available properties and/or vacant storefronts identified
- B. Property description sheet for any property and/or vacant storefront in the targeted area
- C. Proof of Match
- D. Project Timeline
- E. Marketing Plan for Competition
- F. Draft Class Curriculum
- G. Letters of Support
- H. Business Competition Scoring Rubric
- I. Market Characteristic Worksheet
- J. Pitch Night Prize Package Worksheet

Application Questions

1. Describe your proposed CBL project including a description of the targeted area/property and the reasoning for prioritizing this specific area/property, as well as

what you hope to achieve for the targeted area (number of new/expanded businesses, number of new/retained jobs, private investment, etc.).

2. Community Business Launch requires a significant amount of pre-planning and day-to-day management once programming has begun. Identify your implementation team and describe how and by whom the fiscal management, day-to-day management, and broad oversight/accountability roles will be filled. Fiscal management refers to the management of cash resources and payment of awards to winners; day-to-day includes recruiting of entrepreneurs, regular curriculum, convening and leading meetings of the coordinating team, etc.; Broad oversight and accountability will be the main point person for the program and outreach between applicant and DHCD.

3. Identify the additional community partners participating in the implementation of this program including what roles and resources they will provide. Partners can include, but are not limited to, building/property owners, curriculum providers, local banks, A&E service providers, etc. Resources may include pro-rated rent, free business association membership, website development, design renderings, etc.

4. Identify and describe the target area illustrated in the attached project area map, including:

- a. A summary list of the total number of available spaces that are detailed in the attached property worksheets.
- b. The distance between the two spaces that are the most far apart, if multiple buildings are included in the target area; and
- c. Information about amenities in the project area that support retail such as streetscaping (sidewalks, street furniture, safe/accessible parking, etc.), promotional programming/events, business development incentives, and security.

5. Identify the business types this project will target for recruitment. Describe the process by which these business types were determined and provide any market analysis/retail leakage information that is relevant to your community for this project.

6. Identify the business planning curriculum that will be utilized, who will conduct business classes, and provide a breakdown of key course elements.

7. What ongoing business retention resources and services will be made available to businesses and entrepreneurs that participate (whether they are prize winners or not) and how will they access these resources? Resources may include additional business counseling and/or mentoring, other sources of loan or grant capital, community-minded

public relations or A&E providers who will offer services to businesses completing the course, etc.

8. Does your community intend to continue business programming after the completion of CBL without DHCD funding? If yes, how frequently and how will they be funded?

9. Has your community applied to DHCD for CBL funding before? If yes, what has changed and/or how will this CBL project be different than before?

Outcomes

Expected outcomes for FY26 CBL communities are as follows:

Award Amount	Number of new/expanded businesses	Number new full-time equivalent jobs created
Up to \$50,000	3	5
\$50,001-\$75,000	4	7
\$75,001-\$100,000	6	10

Expected outcomes are achieved by successfully completing the business plan competition, assisting entrepreneurs with creations/expansions, and continued support after the competition through the first three years of existence.

Grant Scoring Criteria

Grant applications are scored on a 0–100-point scale. Grant funds are limited and only those proposals meeting the leverage and critical criteria and exceeding the minimum 70-point threshold will be considered for funding. Funds will be allocated from the top scoring applications until all funds are exhausted. The project scoring methodology is as follows:

Criteria	Points
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Leverage & Critical Criteria Includes: - Knowledge sharing/workshops < or =30% of DHCD funds - Prizes > or = 50% of DHCD funds - Match of 25%, 50%, or 100% as required - Appropriate grantee match for ask - Identified eligible targeted area	Y/N to meeting all four criteria
Market Analysis and Outreach	20
Project's Impact on District Improvement	30
Organizational Capacity & Readiness	30
District Amenities and Support for Entrepreneurs	20
Total	100

Timeline

Register your Organization in CAMS	ASAP
Application Submittal Deadline	April 25, 2025
Application Review	May 2025
Anticipated Award Announcement	Summer/Fall 2025
Successful Projects Under Contract	Fall/Winter 2025
Project Completion & Outcomes Achieved	Winter 2026

Additional Information & Requirements

Audit Requirements

All grantees, sub-grantees, CHDOs, sub-recipients, localities, developers, or any other organizations that receive funding during a program year and/or have projects in progress are required to submit financial statements to DHCD.

Required statements are as follows: Financial Statement(s)**, Reviewed Financial Statement(s) that have been reviewed by an Independent CPA, Financial Statement(s) that have been audited by an Independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. Please see the table below to determine which documents your organization is required to submit.

If the entity expends awards under only one DHCD program and the program’s statutes or regulations, or terms and conditions of the award do not require a financial statement audit, the entity may elect to have a program-specific audit conducted.

The threshold requirements outlined below are the minimal standards required by DHCD.

Threshold Requirement	Document
Total annual expenditures \leq \$350,00 (Regardless of source)	Financial Statement(s) prepared by organization**
Total annual expenditures $>$ \$350,00 (Regardless of source)	Reviewed Financial Statement(s) – Reviewed by an Independent CPA
Total annual expenditures $>$ \$550,000 (Regardless of source)	Financial Statement(s) – Audited by an Independent CPA
Federal expenditures \geq \$1,000,000	2 CFR 200 Subpart F Audit – Audited by an Independent CPA

**Does not require preparation by a CPA

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

<https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-financial-statement-audit-policy-2019.pdf>

Memorandum of Understanding

If the application is selected for funding, a Memorandum of Understanding (MOU) between DHCD and the grantee must be executed and the organization must be in compliance with DHCD’s audit policy (denoted above), submit applicant’s procurement policy, and complete the Contract Negotiation Report before any funds are disbursed. The MOU will outline project deliverables, conditions, fund disbursement, and termination.

Grant Payments (Remittances)

Grant funds may only be used for eligible expenses incurred after the signing of the MOU. Funds will be disbursed as outlined in the MOU. Financial support documentation for all project related expenses and leverage must be uploaded to CAMS prior to closeout as outlined in the MOU. Provided here is an [example](#) of how project expenses should be tracked and reported. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but is not limited to, lack of progress in conformance with the approved MOU. All applicants must apply for direct deposit of funds by registering for Electronic Data Interchange with the Virginia Department of Accounts. Forms must be mailed via post mail and can be downloaded here: <https://www.doa.virginia.gov/forms.shtml#edi>.

CAMS Reporting

Reporting through CAMS is required for all projects. This includes interim progress reports, annual reports post project completion, and/or a final report as outlined in the MOU. Business participants should be made aware during Orientation and in the Participant Agreement that by receiving grant funding, they will be required to collect and provide the following information to the applicant organization at least once a year, for three years, following completion of the program. Reporting data includes:

- Number of full-time equivalent (FTE) jobs created by the business
- Number FTE's retained by business
- If a building was leased or purchased by business
- Amount of private investment into business