

**SMALL BUSINESS DEVELOPMENT PROGRAM
PROGRAM CRITERIA**

1. ***Eligible Applicants:*** An applicant must be either a sole proprietorship, an incorporated business, or any legally organized form of business registered with the Florida Department of State to do business in the State of Florida, located within the city limits of the City of Fort Lauderdale.
2. ***Eligible Activities:*** Funds requested under this program must be utilized for Special Economic Development Activities and job creation/retention as defined in the CDBG Regulations at 24 CFR 570. Specific activities, which will be funded, are: acquisition of real property and equipment (*see the ineligible activities and expenses below*); improvements to structures; infrastructure improvements; and new construction.

Any activity which may cause displacement of residents and/or businesses shall provide the following prior to the award of any contract: **a)** a relocation plan meeting all requirements of 24 CFR Ch. V Section 570.606, as amended. This plan shall be certified by a consultant certified by HUD, or an agency of HUD as meeting all legal requirements; **b)** a document legally binding the grant awardee to place in the project budget sufficient funds to fully implement the relocation plan; and **c)** an executed indemnification and hold harmless agreement to protect the City of Fort Lauderdale against any and all costs incurred for the displacement and relocation of persons or businesses affected by the activity.

3. ***Ineligible Activities and Expenses:*** Portable equipment, such as personal/office computers, adding machines calculators and vehicles. Other ineligible items include office and restaurant furniture such as desks, tables, chairs cookware and other removable items. While this list may not be all-inclusive, each applicant is encouraged to contact the Housing & Community Development Division to confirm whether or not your project costs are eligible for funding.
4. ***Program Requirements:*** A match is required of all applicants. The matching must supplement requested CDBG funds with cash, equity or real property.

Firm commitments for all financing must be provided at time of application. In order for a project to be considered for funding, verification of sufficient funds to complete the project **must** be submitted at the time the application. The only financing gaps allowable at the time of application are the federal or state funds being requested. Confirmation of funding must be in the form of current bank statement (*verifying the availability or funds*), loan commitment statement, etc.

5. At least one (1) full-time equivalent (f.t.e.) job must be created or retained for every \$30,000 of CDBG-R funding applied for (*one full-time or equivalent job equals one job totaling 2,080 hours annually or two or more positions that together total at least 2,080 hours per year*). The applicant must be directly responsible for generating the jobs to be produced. If funds from other City sources also require that jobs be created, these jobs must be counted separately.

6. At least fifty-one percent (51%) of all jobs created must be filled by persons of low- and moderate- income as from time to time defined by the U.S. Department of HUD.
7. When funding infrastructure, land acquisition or physical plant construction, these activities must begin within 12 months of City Commission approval of the activity and be completed within the succeeding 12 months after project commencement. The CDBG Regulations require that jobs be created within twelve (12) months from date of completion of the facility or improvement. Also, when counting jobs, the City will include all jobs created/retained from the time the contract is approved by the City Commission. The total number of jobs required by the City must be created within one (1) year of the completion of the activity. The jobs should be maintained for a period of at least three years. Acquisition, construction and rehabilitation activities, which utilize CDBG-R funds, are subject to monitoring and will be subject to a "Declaration of Restriction on Use" for the entire monitoring period. **If the positions are not created within the 12-month period or maintained for at least a 3-year period, all funds must be repaid to the City of Fort Lauderdale. At the City's discretion the assistance provided could be converted to a low interest repayable term loan (with a term of up to 5 years).**
8. Applicants must submit a financial pro forma, which allows for an assessment of critical elements outlined by HUD under 24 CFR 570.209(a). These elements will be outlined in the application package.
9. The minimum funding award shall be \$30,000, with the maximum loan not to exceed \$90,000.
10. Funding preference will be given to businesses located in the CDBG income eligible areas.
11. Successful applications must meet all other applicable requirements of the CDBG program to include, but not limited to, meeting a National Objective, Environmental Reviews, Davis-Bacon Wage Determination, Section 3, Procurement and Insurance Requirements.

Additional information and clarification of the above criteria, are as follows:

1. All awards will be in the form of no-interest loans, low-interest loans, or a combination of each.
2. Application from a partnership must be submitted and signed by the majority partner. In addition, where there are layers of partnerships, partnership documents for all partnerships must be submitted.
3. The City of Fort Lauderdale's financial contribution to an activity will generally be provided at the back-end of the activity's implementation, unless directed otherwise by the Housing and Community Development (HCD) Manager.

4. Regarding job creation and retention:
 - Job creation means the creation of new, permanent positions. Construction jobs to complete an activity do not count. Job retention means that permanent jobs *would actually be lost* if CDBG funds were not awarded. The applicant must document compliance.
 - A full-time equivalent (FTE) job is calculated based on a 40-hour work week (2,080 hours per year).
 - All jobs created or retained are required to be maintained for a period of at least three (3) years.
5. Regarding improvements to structures, if the structure to be improved is leased, a lease commitment of four years is required.
6. For purchase of equipment, the equipment is subject to monitoring for the term of the assistance and disposition is subject to HCD's prior written approval.
 - *Procurement*: The purchase of any and all pieces of equipment may be subject to the City of Fort Lauderdale's procurement process. All purchases of goods and services, including capital equipment, must be made by purchase order or by a written Agreement. The purchase order or written agreement must include the name / type of goods or services purchased and all costs associated with the purchase.
7. Other Federal and County Requirements
 - *Environmental Review*: Performed by HCD for all funded activities. Activities that severely impact or are impacted by environmental conditions may be disqualified or have to be altered. Such conditions may include the presence of hazardous materials, proximity to above ground storage tanks or noise sources (e.g. railroads, major highways), and the presence of protected lands or species.
 - *Davis-Bacon Act*: Ensures payment of prevailing wages on construction activities.
 - *Section 3*: Encourages employment opportunities for low- and very low-income persons on construction activities.
 - *Asbestos Survey*: Obtained by the applicant and approved by HCD staff for reconstruction, rehabilitation, extension or demolition of existing buildings.
 - *Uniform Relocation Act*: Required for all activities that cause displacement of businesses and/or residents. An activity will cause displacement if owners or tenants occupy the property at the time this application is submitted. Since federal relocation requirements are complex and can be expensive to implement, please contact HCD for technical assistance.

EVALUATION CRITERIA

HCD staff will insure the completeness of applications for the Loan Evaluation Committee. This Committee will score the applications and make recommendations for the City Commission's approval. **Businesses that do not demonstrate that they have secured the funding necessary to complete their project will not be considered for funding. Activities that are not reasonably expected to commence within one year of funding approval by the City Commission will not be considered.** A summary of the points to be awarded in the evaluation and a description of the categories is provided below:

	SUMMARY OF CATEGORIES	MAXIMUM POINTS
1.	Benefit to Low/Mod-Income Persons	10
2.	Job Creation and Retention	25
3.	Activity Location	5
4.	Cost Reasonableness and Effectiveness	20
5.	Capacity of Applicant	20
6.	Matching Contribution and Leveraging	20
	Maximum Points Possible	100

DESCRIPTION OF CATEGORIES

1. Benefit to Low/Mod-Income Persons: (Maximum Points: 10)

Ten points will be given to activities where more than 70% of the jobs created/retained are for low- and moderate-income persons; and 5 points will be given to activities where between 51% and 70% of the jobs created/retained are for low- and moderate-income persons. Activities where less than 51% of jobs created/retained are for low- and moderate-income persons are ineligible.

2. Job Creation and Retention: (Maximum Points: 25)

Fifteen points will be given to activities that create/retain more than two jobs per \$30,000 in CDBG-R funds; 10 points will be given to activities that create/retain

1.5 to 2 jobs per \$30,000 in CDBG-R funds; and 5 points will be given to activities which create/retain 1 job per \$30,000 of CDBG-R funds. The reviewer will determine if the amount of jobs claimed are realistic and apply applicable score. Activities that create/retain less than one job per \$30,000 of CDBG-R funds are ineligible.

3. Activity Location: (Maximum points: 5).

Activities located within CDBG income eligible areas will be given preference.

4. Cost Reasonableness and Effectiveness: (Maximum Points: 20)

Up to 20 points will be awarded to applicants based on the reasonableness of costs outlined in the project and activity budgets and the cost incurred. Also, the likelihood of the project's success, based on objective analysis of the Business Plan, and the extent to which the project can succeed without CDBG-R funding will be considered.

5. Capacity of Applicant: (Maximum Points: 20)

Up to 20 points will be awarded to applicants based on the capacity of the applicant to carry out the project in a timely manner, including the creation/retention of jobs. The background and experience of key personnel will be considered.

6. Matching Contribution and Leveraging: (Maximum Points: 20)

Up to 20 points will be awarded according to the scale below based on the ratio of the applicant's eligible leveraging contributions to CDBG-R funds requested. Eligible leveraging contributions include cash, equity, and real property. These funding sources should only be considered if there is realistic evidence that they are available or will become available within one year of the city Commission's approval of funding for the activity. Lack of leveraging will render an activity ineligible.

+ 2:1	.....	20 points
2:1	.....	15 points
1:1	.....	10 points
.75:1	.....	7 points
.50:1	.....	5 points
.25:1	.....	3 points