

COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY PROGRAM

**Community Development Small Business Loan
(CDSBL)**

PROPOSAL SCHEDULE

AND

**APPLICATION
REVISED**

**SUBMISSION DATE
DECEMBER 7, 2009
5:00 P.M.**

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA) THIS AD AND THE DOCUMENT REFERENCED ABOVE CAN BE REQUESTED IN AN ACCESSIBLE FORMAT. PLEASE CONTACT THE OFFICE OF THE CITY MANAGER (5) BUSINESS DAYS IN ADVANCE AT (954) 921-3582 VOICE. IF AN INDIVIDUAL IS HEARING OR SPEECH IMPAIRED, PLEASE CONTACT THE FLORIDA RELAY SERVICE AT 1-800-955-8770 (INFORMATION) OR 1-800-955-8771 (V-TDD).

**JEANNETTE M. SMITH
ASSISTANT DIRECTOR
HOUSING AND COMMUNITY
REDEVELOPMENT
2500 HOLLYWOOD BOULEVARD,
ROOM 314
HOLLYWOOD, FL 33020**

PROPOSAL PROCESS	DEADLINE DATES/TIME FRAME
RE-ADVERTISE APPLICATION AVAILABILITY	SEPTEMBER 27, 2009
APPLICATION AVAILABILITY	OCTOBER 7, 2009 AT 8:00 A.M. HOUSING AND COMMUNITY REDEVELOPMENT 2500 HOLLYWOOD BLVD. SUITE 314
FIRST CDBG-R PROPOSAL WORKSHOP	OCTOBER 15, 2009, AT 6:00 P.M., 2600 HOLLYWOOD BLVD, CITY HALL, ROOM 215. HOLLYWOOD, FL.
SECOND CDBG-R PROPOSAL WORKSHOP	NOVEMBER 30, 2009 , AT 6:00 P.M., 2600 HOLLYWOOD BLVD, CITY HALL, ROOM 219. HOLLYWOOD, FL.
APPLICATION SUBMISSION	DECEMBER 7, 2009, AT 5:00 P.M. FULLY COMPLETE AND SUBMIT ALL APPLICATION DOCUMENTS (PLUS RECENT AUDITS) TO THE DEPARTMENT OF COMMUNITY DEVELOPMENT & CODE COMPLIANCE, CITY OF HOLLYWOOD, 2500 HOLLYWOOD BLVD. ROOM 314, HOLLYWOOD, FL 33020
ELIGIBILITY REVIEW OF ACTIVITY APPLICATIONS	DECEMBER 7, 2009 – DECEMBER 21, 2009
STAFF REPORTS TO CDAB BOARD FOR REVIEW	JANUARY 8, 2009
APPLICANT PRESENTATIONS TO CDAB (PUBLIC MEETING)	JANUARY 13, 2009, AT THE CITY OF HOLLYWOOD CITY HALL RM. 215 7:00PM – 9:00PM
PRELIMINARY CDAB RECOMMENDATION FOR FUNDING LEVELS & ACTIVITIES FOR CDBG FUNDING	JANUARY 19, 2010, AT THE CITY OF HOLLYWOOD CITY HALL RM. 215 7:00PM – 9:00PM
ADVERTISE CDAB PRELIMINARY RECOMMENDATIONS AND CITY COMMISSION PUBLIC HEARING	JANUARY 31, 2010
APPROVE USE OF FUNDING AMOUNTS BY CITY COMMISSION (PUBLIC HEARING) AMENDING CONSOLIDATED PLAN AND ONE -YEAR ACTION PLAN	MARCH 3, 2010
PREPARATION OF CONTRACT DOCUMENTS BY HOUSING AND COMMUNITY REDEVELOPMENT DEPARTMENT	MARCH, 2010
CONTRACT APPROVAL BY CITY COMMISSION AND EXECUTION	APRIL 7, 2010
ENVIRONMENTAL REVIEWS BY HOUSING AND COMMUNITY REDEVELOPMENT (FOR CONSTRUCTION/CAPITAL PROJECTS)	MAY 2009

CITY OF HOLLYWOOD

COMMUNITY DEVELOPMENT SMALL BUSINESS LOAN PROGRAM

INTRODUCTION

In adherence to the intent of the American Recovery and Reinvestment Act (ARRA), the City of Hollywood is using \$409,177.00 in CDBG-R funds to create a Community Development Small Business Loan (CDSBL) Program. The CDSBL shall provide ¹0% interest forgivable loans to non-profit and/or for-profit businesses to maximize job creation/retention and economic growth.

CDSBL loans will be provided in two categories:

1. CDSBL will be available to entities that can create or retain at least one ²permanent job available for low or moderate income persons per \$35,000.00 dollars loaned.
2. CDSBL will be available to provide funds for the establishment, stabilization, and expansion of a "microenterprise". The term "**microenterprise**" means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise. (Job creation or retention is encouraged but is not a requirement when applying for a CDSBL loan to establish, stabilize, or expand a microenterprise).

City staff will evaluate and rank economic impact of the proposed activity. The review will include the financial viability of the applicant and the proposed activities ability to satisfy the public benefit intent and requirements of the CDBG-R legislation including priority consideration to those projects that have secured all necessary permitting to begin activities. For construction projects these are referred to as "shovel ready projects".

Loan requests may be submitted for a minimum of \$25,000 and a maximum of \$150,000. An applicant may submit only one application on behalf of a business entity.

¹ A 0% interest loan secured by a mortgage and/or promissory note. The loan shall be forgiven after 5 years if the applicant satisfies the requirements of the funding agreement. The City reserves the right to add additional conditions to those that are required by the funding source.

² A permanent job available for low and moderate income persons is defined as a permanent position that does not require any additional certifications or degrees other than a High School Diploma or General Education Diploma.

EVALUATION CRITERIA

The Financial Review Committee (FRC) will evaluate applications using “Guidelines for Evaluating and Selecting Economic Development Projects” as recommended in 24 CFR 570.209. The underwriting guidelines to be considered include:

(1) **That project costs are reasonable** – FRC will evaluate specific stated costs for reasonableness in comparison to fair market prices.

(2) **That all sources of project financing are committed** – FRC will evaluate the application to ensure that sufficient sources of funds have been identified to finance the project; providing those funds are committed in writing; and the participating parties have the financial capacity to provide the funds.

(3) **That to the extent practicable, CDBG-R funds are not substituted for non-Federal financial support** – FRC will review financial data to determine projected revenue and evaluate expenses. The extent of this review should be appropriate for the size and complexity of the project and should use industry standards for similar projects, taking into account the unique factors of the project such as risk and location.

(4) **That the project is financially feasible** – FRC will determine if there is a reasonable chance for the project's success by evaluating the financial viability of the project. A project would be considered financially viable if all of the assumptions about the project's market share, sales levels, growth potential, and projections of revenue, project expenses and debt service (including repayment of the CDBG-R assistance if appropriate) were determined to be realistic and met the project's break-even point.

(5) **That to the extent practicable, the return on the owner's equity investment will not be unreasonably high** – FRC shall evaluate each application to determine whether or not the degree of equity participation is reasonable given general industry standards for rates of return on equity for similar projects with similar risks and given the financial capacity of the entrepreneur(s) to make additional financial investments.

(6) **To the extent practicable, CDBG-R funds should be disbursed on a pro rata basis with other funding sources** – FRC will evaluate applications to determine if CDBG-R funds are at a significantly greater risk than non-CDBG funds.

City staff will submit ranking and applications to the Community Development Advisory Board (CDAB) to make recommendation to the City of Hollywood City Commission.

DEFINITIONS

CDSBL 0% Interest Forgivable Loan - A 0% interest loan secured by a mortgage and/or promissory note. The loan shall be forgiven after 5 years if the applicant satisfies the requirements of the funding agreement. (The City reserves the right to add additional conditions to those that are required by the funding source.)

Commercial Application – a funding request from an enterprise that sells goods from a fixed location to the end-user.

Construction Application – a funding request that includes physical construction. Take note that Section 1604 of the ARRA prohibits CDBG-R funds to be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool

Davis-Bacon Act- a United States federal law which establishes the requirement for paying prevailing wages on federally funded projects. Federally assisted construction over \$2,000 must include provisions for paying workers on-site no less than the local prevailing wages and benefits paid on similar projects. Current prevailing wages must be included in all bid packages related to a CDSBL. It is important to note that even if a project is only partially assisted with federal funding, the Davis-Bacon requirements apply to the entire construction activity.

For-Profit – a commercial enterprise existing for the purpose of making economic gains for the benefit of the owners of the enterprise.

Full-time Permanent Job – a position that does not require any additional certifications or degrees other than a High School Diploma or General Education Diploma that is permanently needed to the business.

Funding Agreement – an agreement between the City of Hollywood and a recipient of a CDSBL that will require the recipient to adhere to all local, state, and federal requirements. The agreement may also include other conditions required by the City to ensure desired outcomes.

Job Creation – a funding request that will lead to the immediate creation of a full time permanent job.

Job Retention – a funding request that will retain a full time permanent job.

Manufacturing Application - a funding request from an enterprise that uses machines, tools and labor to make things for use or sale from a fixed location.

Microenterprise - a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.

Microenterprise Establishment – fund request to start or re-start a microenterprise. Job creation or retention is encouraged but is not required when applying for a CDSBL loan to establish microenterprise.

Microenterprise Expansion – a fund request to expand the services or client base of an existing microenterprise. Job creation or retention is encouraged but is not required when applying for a CDSBL loan to expand a microenterprise when the enterprise is expected to be a microenterprise post expansion. In a case where at post expansion the enterprise will not meet the microenterprise definition, the job creation and/or retention requirements apply.

Microenterprise Stabilization – fund request to prevent the closure of an existing microenterprise due to temporary financial conditions. In this case a CDSBL may be used to secure additional financing. An applicant for stabilization assistance shall prove that the funds requested will lead to the long-term viability of the microenterprise. Job creation or retention is encouraged but is not required when applying for a CDSBL loan to stabilize a microenterprise.

Non-Construction Application – a funding request that does not include construction.

Non-Profit – a 501(c)3 organization that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals.

Non-Profit Services Application – a funding request from a non-profit to provide job placement services for persons whose household income is at or below 80% of the area median income.

Service Application – a funding request from an enterprise that provides the non-material equivalent of a good by providing resources, skill, ingenuity, and experience for effecting specific benefits for consumers.

Shovel Ready Project – a construction project that has secured all required permits necessary to begin construction.

A. GENERAL INFORMATION

Check one only

Construction Application Non-Construction Application

Check one only

Commercial Application Service Application
 Manufacturing Application Non-Profit Services Application

Type of Business

Check one only

For-Profit, For-Profit Microenterprise, Non-Profit

Name/Address of Entity/Organization Submitting Application:

Name/Telephone No./Fax No. of Person Responsible for Project/Activity:

Tax Identification number:

Contact E-Mail

Webpage (If available)

Funds Requested: \$

Total number of permanent jobs retained

Total number of permanent jobs created

B. PROJECT DESCRIPTION – Please specifically describe on the activity that will be financed by CDSBL.

Check one only

- Job Creation and/or Retention Microenterprise Establishment
 Microenterprise Stabilization Microenterprise Expansion

Narrative - Please specifically describe on the activity that will be financed by CDSBL. Include a timeline that includes that start date and end date for the proposed activity.

- For job creation and/or retention, please explain how the activity will create and/or retain jobs and the nature of jobs created and/or retained.
- If the applicant is a microenterprise please be specific on how requested funds establish, stabilize, or expand the microenterprise.
- Explain how requested funds will be leveraged with other funding. Please be specific which funding will be use to leverage the CDSBL.

In response to items C & D, applicants may attach separate documents.

- C.** Experience - Briefly describe your prior experience in the proposed activity, highlighting relevant qualifications of management, staff, product or services and facility.

C. CONSTRUCTION ACTIVITY ANALYSIS – The City shall give priority to activities that can award contracts based on bids within 120 days from the date the funds are made available, and can be started and completed within six months contract award date. Section 1604 of the ARRA prohibits CDBG-R funds to be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. Section 1605 of the ARRA requires that all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public buildings or a public works project must be produced in the United States unless the Secretary of HUD finds that: the requirement is inconsistent with public interest; said goods are not reasonably available or produced in sufficient quantity in the U.S.; or the use of goods will increase the project cost by more than 25 percent. The City must request a waiver of this provision from the Secretary of HUD if, in the process of carrying out an eligible activity, one of these conditions arises.

	Construction loan request for CDSBL	All Other Construction Sources	Total Construction Cost
	\$	\$	\$

Are all necessary regulatory, governmental and environmental approvals secured?
 _____ (Yes) _____ (No)

If No explain:

(Please attach a separate description and/or construction plans (reduced to letter or 11x17 size sheets)

PROPOSED CONSTRUCTION START DATE _____

PROPOSED CONSTRUCTION END DATE _____

In order to select activities that most closely match the intent of the ARRA and CDBG-R legislation, please complete the attached “Unified Business Credit Application” (as amended for the purposes of this process).

Signature Page

Name: (print or type) _____

Agency: (print or type) _____

Title: (print or type) _____

Signature: _____

Date: _____