



Notice of Funding Availability (NOFA)
CDBG ECONOMIC DEVELOPMENT
MICRO ENTERPRISE
Revolving Loan Fund

NOFA Information

ISSUE DATE: December 17, 2018

CLOSING DATE: **February 15, 2019**

City Development Website:

<https://www.cityofracine.org/CDV/RFP/>

The Micro Fund is an economic development activity funded through the City of Racine's Community Development Block Grant (CDBG) annual allocation from the US Department of Housing and Urban Development (HUD). The City of Racine Micro-Enterprise Revolving Loan Fund ('Micro Fund') is a financing product designed to benefit City of Racine small business owner-operators with low or moderate income households. The Micro Fund targets businesses with five (5) or fewer employees, and addresses disparities in minority lending and business ownership in Racine.

The Community Development Block Grant (CDBG) Micro-Enterprise Revolving Loan Fund (**Micro Fund**) applications are accepted on a semi-annual basis. Micro Fund application documents, including the program application, guidelines, and scoring matrix are provided on the City of Racine webpage. The Micro Fund application process is illustrated in the flow chart at the end of this document and generally outlined as the following steps:

1. Applicant submits program application to Community Development staff
2. Staff complete a threshold review
3. Eligible applications reviewed by advisory panel
4. Final recommendations presented to Redevelopment Authority for Approval
5. Staff develops and executes contract
6. Staff ensures project implementation, monitoring, and on-going compliance
7. Staff provides RDA and committees updates as necessary

Applications and Support Documents Due February 15, 2019

Deliver/Mail to:

City of Racine

Dept of City Development

Attn: Ben Lehner

730 Washington Avenue, Rm 102

Racine, WI 53403

Or email: ben.lehner@cityofracine.org

Contact

Matt Rejc

Manager of Housing and Community Development

Department of City Development

730 Washington

City Hall, Room 102

Racine, WI 53403

Phone: (262) 636-9151

Email: matthew.rejc@cityofracine.org

Ben Lehner

Community Development Program Specialist

Department of City Development

730 Washington

City Hall, Room 102

Racine, WI 53403

Phone: (262) 635-3320

Email: ben.lehner@cityofracine.org

REQUESTS FOR REASONABLE ACCOMMODATION

The City of Racine's Department of City Development (hereafter referred to as the "City") will provide reasonable accommodation to allow for equal participation in the application process. To request a reasonable accommodation, please contact Ben Lehner at (262)635-3320 (Voice) or via e-mail at ben.lehner@cityofracine.org. This document will be provided in alternate formats, upon request.

ACCESS TO REFERENCED DOCUMENTS

This document may contain active hyperlinks. Prospective applicants who are unable to access the Internet may request copies of the documents referenced in this NOFA by contacting Ben Lehner at (262) 635-3320 (Voice) or via e-mail at ben.lehner@cityofracine.org. All documents will be available on City Development's website.

NOTICE OF SOLICITATION

In addition to providing required notification via the City's publication of record, *The Racine Journal Times*, the City will provide notification to all known interested parties and to other organizations and individuals currently on the Department's e-mail distribution list. Any individual or organization wishing to be added to the Department's e-mail distribution list in order to receive future notices of funding opportunities can make such a request by contacting Ben Lehner at 262.635-3320 or via email at ben.lehner@cityofracine.org. A copy of this Notice will be posted to the department's website at <http://www.cityofracine.org/Development.aspx>. Failure of the City to notify any interested party or parties directly regarding the availability of this Notice shall not void or otherwise invalidate the RFP process.

AVAILABILITY OF FUNDS

In support of 2015-2019 Consolidated Plan objectives the City of Racine 2018 Annual Plan has allocated approximately **\$62,000** of 2018 Community Development Block Grant (CDBG) funding towards assisting micro-enterprise business owners.

A minimum funding request amount of \$3,000 is required to apply for funding. Funding may come in the form of a forgivable loan, loan guarantees, low-interest loans, and other financial mechanisms to leverage additional resources.

CONSULTATION AND CITIZEN PARTICIPATION PLAN

The United States Department of Housing and Urban Development (HUD) program regulations require that citizens be given the opportunity to examine and appraise the City's use of funds. Citizens are afforded an opportunity to participate by membership on the Community Development Committee (CDC) and by attendance at Board meetings throughout the review and recommendation process. All CDC meetings are open to the public and published on the City's website. Members of the CDC establish priority funding categories based on the needs of the community, and are responsible for making funding recommendations for the use of the funds made available. Public hearings were held on March 22, 2018 and May 24, 2018 allowing citizens to comment on the needs of low-income residents in the City of Racine.

Applicants will present their applications to the RDA in a public meeting as part of the review process, allowing applicants the opportunity to answer questions or clarify their project goals.

ELIGIBLE APPLICANTS

All eligible applicants must meet the definition of a microenterprise as outlined by HUD in 24 CFR 570.201(o)3 and have a low or moderate income household. For CDBG purposes:

- A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise and is the applicant;
- Applicant must income qualify as a Low or Moderate Income Household (see table Appendix A);
- Eligible applicants must have a registered business address in the City of Racine jurisdictional boundaries and be in operation for more than six (6) months from date of application submission
- Other restrictions apply (see program guidelines)

APPLICATION WORKSHOPS AND ASSISTANCE

There are no mandatory trainings associated with this NOFA; however, applicants with business development training listed in their applications are eligible for preferential scoring as outlined in the 'capacity' section of the scoring matrix. Questions on program or application requirements may be directed to City staff (contact info above).

OWNERSHIP OF MATERIAL

Responses, applications, and other materials submitted in response to this request become the property of the City, are documents of public record, and will not be returned. By submitting an application, applicants acknowledge and agree that they and/or their organization claim no proprietary rights to the ideas or

approaches contained in the applications. Business ideas or innovations will not be shared publically, unless required by law.

PROPOSAL COSTS AND PAYMENT OF CONTINGENT FEES

The City is not liable for any costs incurred by an applicant prior to the issuance of a grant contract. All costs incurred in response to this solicitation are the responsibility of the applicant, including travel costs to attend workshops, presentations, public meetings, and/or contract negotiation sessions.

In the event that the applicant’s application was developed with the assistance of other individuals (i.e., non-employees) and/or organizations, the applicant understands and agrees that no contingent fees will be paid under any resulting award.

ACCEPTANCE OF TERMS AND CONDITIONS

By submitting a response to this NOFA, the applicant acknowledges and accepts all terms and conditions of this request and all City and State regulations and requirements related to the delivery of the eligible activities. If the applicant is awarded a contract, the applicant’s application will become part of the contract agreement. The applicant is bound by the terms of the application unless the City agrees that specific parts of the application are not part of the agreement. The City reserves the right to introduce different or additional terms and/or conditions during final contract negotiations. Applicants will be required to enter into a formal written agreement with the City.

RIGHT TO REJECT OR NEGOTIATE

The City reserves the right to reject any or all applications, if such a rejection is in the City's best interest. This NOFA is a solicitation for offers and shall not be construed as an offer, a guarantee, or a promise that the solicited services will be purchased by the City. The City may withdraw or modify this notification at any time and for any reason without liability to applicants for damages, including, but not limited to, bid preparation costs. Additionally, the City reserves the right to negotiate with selected applicants and may request additional information or modification from an applicant. When deemed advisable, and before a contract is issued, the City reserves the right to arrange an on-site visit/review to determine the applicant's ability to meet the terms and conditions described in this NOFA.

RIGHT TO APPEAL

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final.

An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director of City Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the City’s solicitation document (NOFA), the applicant’s application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

CDBG NATIONAL OBJECTIVE

Under federal regulations, use of CDBG funds for microenterprise activities must meet the national objective of benefit to low/moderate (“low/mod”) income persons under the Limited Clientele definition at the time of income certification and for up to 6 months following certification. As such, all microenterprise owner households must be documented as employees of the business and meet HUD’s low/mod income definition prior to receiving any Program services. This is in addition to meeting the “definition” of a microenterprise, as described above.

City Staff will verify that microenterprise owner(s) meet HUD’s low/mod income household requirement by completing the HUD 24 CFR Part 5.609 income verification process. Micro Fund program applicants must submit documentation to complete the income verification process to determine program eligibility as requested by City staff. This information will be kept confidential to the extent permitted by law, but will be used to determine program eligibility. Separate files will be maintained by the City for each CDBG Microenterprise program.

As with other microenterprise program activities, if the City determines that the applicant income information is not accurate, is over HUD’s income limits, is using funds for ineligible activities, or is disqualified from receiving federal assistance, then all program services will cease immediately and any allocated funds will be due and payable immediately. Applicants whose eligibility has changed, may reapply within twelve (12) months, pending full repayment of any previously allocated funding.

NOTE: After funds are disbursed, household income may increase for business owner or employees.

Applicants and associated employees are not obligated to remain low or moderate income households.

DESCRIPTION OF MICRO FUND PROCESS

1. PROJECT APPLICATION

City staff will publish a Notice of Funding Availability (NOFA) in the Racine Journal Times, the City of Racine public record of choice. The NOFA will also be posted on the City website and distributed through the department email list. Paper copies will be made available for pick-up at the City of Racine Department of City Development office (address listed herein). Applicants should review program guidelines and application requirements including required attachments and registrations. Applicants may contact staff (listed above) for questions or details when completing the application. Completed applications and support documents should be submitted to the City of Racine Department of City Development- division of Housing and Community Development, City Hall Room 102, 730 Washington Ave, Racine, WI 53403 or emailed to ben.lehner@cityofracine.org. (NOTE- large attachments (over 5MB) may not transfer well electronically)

2. THRESHOLD REVIEW:

Once the application has been reviewed by City staff, staff may request a meeting with the applicant. During the meeting, discussion topics may include: 1) incomplete or omitted documentation; 2) required income documentation for compliance with CDBG standards; and 3) federal overlay compliance triggered by project. City Staff may request that additional information about the project be received within a specific deadline, and schedule additional meetings as part of the threshold review. The Department will issue a written decision on project eligibility based on the application, follow-up meetings, and timely receipt of additional documentation.

3. NOTIFICATION OF PROJECT ELIGIBILITY:

City staff will work closely with eligible applicants to guide them through the documentation, income verification, and underwriting process. City Development staff will compile the project threshold information, make a determination of eligibility, and present eligible applications for review by the Micro Fund Advisory Committee, if such committee is active, or complete the full review internally.

Applicants will receive notification of application eligibility/ineligibility and an update on the review process (as applicable). See **Right to Appeal** (Page 2).

4. FINAL REVIEW AND FUNDING RECOMMENDATIONS:

The Micro Fund Advisory Committee and/or Department Staff will review program applications and make recommendations to the Redevelopment Authority of Racine (RDA). Approval of the final application must follow the same process as other CDBG applications, including: properly noticed public meeting(s); adoption of resolution approving submittal of application and properly completed, and signed application forms and certifications. As with all CDBG funding proposals, the applicant and City must follow the required public participation process which will occur during the RDA final application review. City staff and finalist applicants will present project information directly to the RDA. The RDA will make final funding decisions based upon the Advisory Committee recommendation and the information presented at the public meeting.

Note: Any project “work” started before contract execution and the clearance of all conditions, regardless of the source of the funds used, is a risk to the project and it is highly recommended that all project team members stay in contact with their City staff to ensure no federal overlay compliance issues occurs. City Development will compete the environmental review.

5. CONTRACT EXECUTION AND DISBURSEMENT OF CDBG FUNDS:

The executed loan agreement (contract) will developed by Department staff. The agreement will contain General Conditions that must be completed by the applicant, and any Special Conditions (conditions unique to this project) that the applicant must “clear” prior to release of any CDBG funding from the Department.

Once conditions of the loan agreement have been met, as determined by Department Staff, the applicant may submit reimbursement requests to the Department on departmental forms.

EVALUATION CRITERIA

The following project scoring criteria will be used to evaluate applications to the Micro Fund:

Capacity and Experience to Carry Out the Project (15 Points) <ul style="list-style-type: none">○ Applicant has the demonstrated capacity to complete the project. Consider project status, industry experience, and business development classes and resources.
Readiness to Proceed (10 points) <ul style="list-style-type: none">○ Through the submitted business plan, the project has thoroughly demonstrated a proof of concept and clear market analysis. Proposal includes a clear plan for implementation including a realistic timeline with set deliverables.
New Business Enterprise (10 points) <ul style="list-style-type: none">○ Business has been operating for less than 2 years
Leverage of other Programs and Funding (20 Points) <ul style="list-style-type: none">○ Proposal includes other funding sources received within the past 12 months including: crowd sourcing, Business Improvement District grant assistance, County/State grants, owner equity, City Whitebox/Façade grants. Up to 20 Pts awarded based on ratio of matching funds to the loan requested: 20 Pts for 3:1, 15 Pts for 2:1, 10 Pts for 1:1, 5 pts for ¾:1, and 0 points for a lower ratio.
Minority Business Enterprise (10 points) <ul style="list-style-type: none">○ Business is a minority-owned business enterprise (51%).
Section 3 Registered (10 points) <ul style="list-style-type: none">○ Business is a HUD-registered Section 3 business enterprise. https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness
Located in a Retail District (10 points) <ul style="list-style-type: none">○ Business <i>is or will be</i> located in an established business corridor including: Downtown, Uptown, Douglas Avenue, or West Racine.
City Better Positioned for Economic Development (15 Points) <ul style="list-style-type: none">○ Project will result in stronger systems through collaboration and connection of economic development efforts across the greater Racine area.
Application Completeness (5 Point BONUS) <ul style="list-style-type: none">○ Up to 5 point Bonus for application with concise descriptions and backup information, professional writing and accurate math.

IMPORTANT CONSIDERATIONS

Applications are processed on a competitive basis, with a recommendation provided by City Development staff and Micro Fund Advisory Committee based upon the evaluation criteria noted above.

Applications may take up to three (3) months to move through the review and approval process.

CDBG federal overlay compliance requirements, if not fully considered, can slow down the project timeline, or result in choice-limiting action.

Projects are all unique. The current application forms provide a general “framework” for review of projects; however, each project will require different sets of specific information to document CDBG compliance.

Projects will require the submittal of additional documentation as outlined in the application.

ACKNOWLEDGEMENT OF REQUIRED ASSURANCES

This page must be signed and submitted with the application. Applications which do not contain a signed Acknowledgement of Required Assurances are ineligible for consideration.

By submitting the accompanying application and by my signature on this document, I understand and agree that any funding award resulting from this solicitation will require compliance with the signed agreement and with the regulations, requirements, and policies identified below, including but not limited to:

- City of Racine, WI Section 3 Implementation Plan
- [Chapter 7: Public Services of Basically CDBG](#)
- Compliance with the requirements of the [Americans with Disabilities Act Accessibility Guidelines](#);
- Completion of an environmental review, subject to the requirements of the [National Environmental Policy Act \(NEPA\)](#);
- [Contract Work Hours and Safety Standards Act \(CWHSSA\)](#);
- [Equal Employment Opportunity Act](#);
- [Minority and Women's Business Enterprise \(MBE/WBE\)](#);
- [Lead Based Paint](#);
- [Title VI of the Civil Rights Act of 1964](#), as amended;
- [The Fair Housing Act](#);
- [Equal Opportunity in Housing Act](#);
- [Age Discrimination Act](#);
- [Americans with Disabilities Act](#);
- [Section 504 of the Rehabilitation Act](#);
- [Federal Funding Accountability and Transparency Act \(FFATA\)](#);
- [Compliance with Office of Management and Budget \(OMB\) Super Circular 2 CFR Part 200](#) (as appropriate);
- Compliance with policies of City of Racine, WI;
- Compliance with federal and state laws requiring the safeguarding and disclosure of confidential information.
- Purchase of comprehensive liability insurance and bonding, as required by the City;
- Completion of an annual financial audit, and/or as applicable, providing the City with a copy of the organization's audited financial statement;
- Completion and subsequent renewal of background checks for all employees, volunteers, or interns who will or may have unsupervised contact with children or vulnerable adults;
- Maintaining program and financial records for audit review, and providing access to documentation upon request by the City;
- Submission of program and financial reports, as required by the City;
- Certification that the firm, association, corporation, or any person in a controlling capacity or any position involving the administration of federal, state, or local funds is not currently under suspension, debarment, voluntary exclusion, or a determination of ineligibility by any agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any agency within the past three (3) years; does not have a proposed debarment pending; has not been indicted, convicted, or has not had a civil judgment rendered against said person, firm, association, or corporation by a court of competent jurisdiction in any matter involving fraud or misconduct with the past three (3) years.
- Certification that the firm is not bankrupt or under an administration appointed by the Court, or under proceedings leading to a declaration of bankruptcy; and provide any pending or known legal actions against the company.
- Certification that, in the past seven (7) years, the organization has not had any bankruptcy proceedings initiated against the Contractor (whether or not closed) and that there are no bankruptcy proceedings pending by or against the Contractor regardless of the date of filing;
- All pending or known litigation/court action(s) have been disclosed in the application.
- Certification that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Applicant further covenants that in the performance of this project/application, no person having any conflicting interest will be employed.

Application Approval and Signature: The signatory declares that he/she is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, and will assure that any funds received as a result of this application are used for the purposes set forth herein.

Click here to enter text.

Printed Name and Title

Signature

Click here to enter text.

Agency

Click here to enter text.

Date



CITY OF RACINE
MICRO-ENTERPRISE FINANCIAL ASSISTANCE



BUSINESS INFORMATION

Name of Business:

Db Name (if applicable):

Mailing Address:

City:

State:

ZIP Code:

Address of Operations (if different):

City:

State:

ZIP Code:

Federal EIN:

DUNS:
CAGE code:

Date of Incorporation:

Number of Employees:

BUSINESS TYPE: ☐ LLC ☐ Partnership ☐ Sole Proprietor ☐ Other

BUSINESS DESCRIPTION

Provide a brief description of your business, and funding need / growth opportunity:

OWNER INFORMATION

-list majority owner(s) first-

OWNER NAME:

Mailing Address:

City:

State:

ZIP Code:

18 or older: Y / N
(circle)

Percent Ownership:

Industry Experience (yrs):

Low/Mod Income Household: Y / N
(circle)

Currently in bankruptcy: Y / N
(circle)

Number of people in Household:
(include all adults and children)

Total Household Income:
(Verification will be required for approved projects)

Please summarize owner's experience in industry:

OWNER NAME:

Mailing Address:

City:

State:

ZIP Code:

18 or older: Y / N
(circle)

Percent Ownership:

Industry Experience (yrs):

Low/Mod Income Household: Y / N
(circle)

Currently in bankruptcy: Y / N
(circle)

Number of people in Household:
(include all adults and children)

Total Household Income:
(Verification will be required for approved projects)

Please summarize owner's experience in industry:

OWNER NAME:		
Mailing Address:		
City:	State:	ZIP Code:
18 or older: Y / N <small>(circle)</small>	Percent Ownership:	Industry Experience (yrs):
Low/Mod Income Household: Y / N <small>(circle)</small>	Currently in bankruptcy: Y / N <small>(circle)</small>	
Number of people in Household: <small>(include all adults and children)</small>	Total Household Income: <small>(Verification will be required for approved projects)</small>	
Please summarize owner's experience in industry:		
PLEASE LIST ADDITIONAL OWNER INFORMATION BELOW OR ATTACH SEPARATE PAGE IF NECESSARY		

BUSINESS INCOME SUMMARY

Check one: ☐ ACTUAL or ☐ PROJECTED

☐ ANNUAL or ☐ MONTHLY

Fill in summary table below in addition to budget info provided in business plan

Reporting Period:	MM/DD/YR - MM/DD/YR
Revenue:	-----
Product Sales	\$
Service Billing	\$
TOTAL REVENUE	\$
Costs of Goods:	
Product Inventory	\$
Operating expenses:	
Research and development	\$
Marketing	\$
Transportation	\$
Administrative & Accounting	\$
Liability Insurance	\$
Payroll & Fringe Benefits <small>including workers comp/Unemployment Insurance</small>	\$
Utilities	\$
Rent or Mortgage	\$
Existing Debt Service- <small>principal and interest payments</small>	\$
Other expenses	\$
TOTAL EXPENSES	\$
INCOME (Total Revenue – Total Expenses)	\$

FUNDING SOURCES

List all secured or requested funding within the last 12 months-
(include bank loan requests, KIVA, crowd-sourced, city programs, SBDO's, or other)

SOURCE	AMOUNT	DATE REQUESTED	RECEIVED Y/N

[please attach documentation of approval, denial, registration for sources listed]

SECURED FUNDING

For secured funding, list source of funds, uses and total amount received-
 (Sources can include owner equity. Uses can be from 'funding needs' listed above or other business investments)

SOURCE	USE	AMOUNT
		\$
		\$
		\$
		\$
		\$

PROJECT INFORMATION

Funding Need (check all that apply):

Equipment*	Inventory
Marketing	Professional Services
Lease Payments	Permits and Licenses
Debt refinancing <i>(not to exceed 25% of funding request)</i>	Training
Fixtures	Construction* <i>(not to exceed \$2,000)</i>
Payroll <i>(excluding owner(s) salary)</i>	Other

*Please include 3rd party cost estimates and product/equipment information as attached documents

Needs Summary:

(Please provide a brief description of your current funding needs and the anticipated impact on your business)

Environmental Review

Per HUD requirements, all construction related work on the site must stop upon submission of this application until city staff can complete the statutory environmental review. If work continues before a statutory review is completed, it is a choice-limiting action, and loan funds cannot be provided for this project.

I have read and understand the stated guidelines. Initial here: _____

APPLICANT STATEMENT: I hereby certify that the information on this form is complete and accurate. I understand that the information provided may be subject to further verification by the City of Racine, or the US Department of Housing and Urban Development. If necessary, I will provide the information required to verify this data (e.g. payroll records, tax fillings, bank account statements, etc.). I, therefore, authorize such verification, and I will provide the supporting documentation, if necessary.

SIGNATURE: _____ **Date:** _____

Name (please print): _____

Title (please print): _____

SIGNATURE: _____ **Date:** _____

Name (please print): _____

Title (please print): _____

SIGNATURE: _____ **Date:** _____

Name (please print): _____

Title (please print): _____

Please provide signature(s), printed name(s), and title(s) of additional owners on separate page (if applicable).

x	Please submit <u>copies</u> of required documents unless otherwise indicated.
	Micro-Enterprise Application (original)
	BUSINESS PLAN (including timelines, budget projections and market study)
	Federal Employee Identification Number (Federal EIN)
	Proof of Incorporation - WI Dept of Financial Institutions
	Business Operating Agreement – (for multiple partners)
	Business Tax Registration Certificate- WI Dept of Revenue
	Employee Withholding Tax (WT-4)- WI Dept of Revenue
	Sales and Use Tax Permit- WI Dept of Revenue (if applicable)
	Unemployment Insurance- WI Dept of Workforce Development
	Worker Compensation Insurance- Private Insurance (info at Dept of Workforce Development)
	Dunn and Bradstreet Registration (DUNS) - List in application
	CAGE Code – List in application
	Business Bank Account- canceled business check (original)
	Other Funding Sources- letters of approval / denial
	Proof of Business Insurance- liability
	Lease or Mortgage Information
	Third-party construction estimates and/or equipment information
	Ownership or partnership agreements (if applicable)
	Section 3 registration (if applicable)
	Application Fee- \$50 (Cash, Check or Money order)

APPENDIX A

CDBG MICROENTERPRISE REVOLVING LOAN FUND PROGRAM

APPLICANT INCOME ELIGIBILITY

2018 HUD LOW/MOD INCOME HOUSEHOLD THRESHOLDS

FY 2018										
Racine City, WI										
FY 2018 Income Limit Area	Median Income		PERSONS PER HOUSEHOLD							
			1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Racine City	\$67,300	MAX HOUSEHOLD INCOME	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
UPDATED ANNUALLY BY HUD										

Source: <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

Please include the following sources of income from all adult members of the household for income calculation:

- | | | |
|---|---|--|
| <input type="checkbox"/> Salary/Wages | <input type="checkbox"/> Bonuses/Incentives | <input type="checkbox"/> Commissions/Tips |
| <input type="checkbox"/> Interest/Dividends | <input type="checkbox"/> Loan Repayments | <input type="checkbox"/> Unemployment Compensation |
| <input type="checkbox"/> Rent (As Landlord) | <input type="checkbox"/> Reverse Mortgage | <input type="checkbox"/> Court Settlement |
| <input type="checkbox"/> Self-Employment Draw | <input type="checkbox"/> Social Security Survivors | <input type="checkbox"/> Annuities |
| <input type="checkbox"/> Alimony | <input type="checkbox"/> Child Support | <input type="checkbox"/> 401(k)/403(b) Plans |
| <input type="checkbox"/> Disability/Long Term Insurance | <input type="checkbox"/> Social Security Disability | <input type="checkbox"/> Military Pension |
| <input type="checkbox"/> VA Disability Benefits | <input type="checkbox"/> Workers' Compensation | <input type="checkbox"/> Union Pension or Disability |
| <input type="checkbox"/> Deferred Compensation | <input type="checkbox"/> Pension/Profit-Sharing | <input type="checkbox"/> Other (specify): |
| <input type="checkbox"/> Social Security/Retirement | <input type="checkbox"/> Keogh/IRA Plans | |

APPENDIX B

CDBG MICROENTERPRISE REVOLVING LOAN FUND PROGRAM

SCORING MATRIX

If the purposed project meets all threshold criteria, reviewers will utilize the following project scoring criteria to evaluate the purposed project for the purposes of making a funding recommendation. Scoring will help determine priority of project application versus other projects competing for loan funds. The highest scoring projects will be recommended for funding.

Evaluation Criteria (100 Point Scale + Bonus):

Capacity and Experience to Carry Out the Project (15 Points) <ul style="list-style-type: none">○ Applicant has the demonstrated capacity to complete the project. Consider project status, industry experience, and business development classes and resources.	
Readiness to Proceed (10 points) <ul style="list-style-type: none">○ Through the submitted business plan, the project has thoroughly demonstrated a proof of concept and clear market analysis. Proposal includes a clear plan for implementation including a realistic timeline with set deliverables.	
New Business Enterprise (10 points) <ul style="list-style-type: none">○ Business has been operating for less than 2 years	
Leverage of other Programs and Funding (20 Points) <ul style="list-style-type: none">○ Proposal includes other funding sources received within the past 12 months including: crowd sourcing, Business Improvement District grant assistance, County/State grants, owner equity, City Whitebox/Façade grants. Up to 20 Pts awarded based on ratio of matching funds to the loan requested: 20 Pts for 3:1, 15 Pts for 2:1, 10 Pts for 1:1, 5 pts for ¾:1, and 0 points for a lower ratio.	
Minority Business Enterprise (10 points) <ul style="list-style-type: none">○ Business is a minority-owned business enterprise (51%).	
Section 3 Registered (10 points) <ul style="list-style-type: none">○ Business is a HUD-registered Section 3 business enterprise. https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness	
Located in a Retail District (10 points) <ul style="list-style-type: none">○ Business <i>is or will be</i> located in an established business corridor including: Downtown, Uptown, Douglas Avenue, or West Racine.	
City Better Positioned for Economic Development (15 Points) <ul style="list-style-type: none">○ Project will result in stronger systems through collaboration and connection of economic development efforts across the greater Racine area.	
Application Completeness (5 Point BONUS) <ul style="list-style-type: none">○ Up to 5 point Bonus for application with concise descriptions and backup information, professional writing and accurate math.	
TOTAL	

-Helpful links-

City of Racine- Dept of Housing and Community Development

<https://www.cityofracine.org/CityDevelopment/Community-Development/>

Federal EIN –

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

WI Business Resources- registration and basic information

<https://openforbusiness.wi.gov/>

WI Dept of Financial Institutions-

<https://www.wdfi.org/corporations/>

WI Dept of Revenue-

<https://www.revenue.wi.gov/Pages/Businesses/New-Business-home.aspx>

<https://www.revenue.wi.gov/Pages/Form/with-home.aspx>

WI Dept of Workforce Development-

<https://dwd.wisconsin.gov/ui/>

<https://dwd.wisconsin.gov/wc/>

Dun & Bradstreet- DUNS –

<https://www.dnb.com/duns-number/get-a-duns.html>

CAGE code-

<https://www.sam.gov/SAM/>

HUD Section 3 Registration-

<https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>

City Of Racine MICROENTERPRISE REVOLVING LOAN FUND GUIDELINES



Adopted December 2018

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1.0 INTRODUCTION

The City of Racine Department of City Development, hereafter referred to as the “City”, has established a Microenterprise Revolving Loan Fund program, hereafter called “the Micro Fund”. The Micro Fund is designed to provide affordable financing to eligible micro-enterprise businesses for start-up or expansion of operations on a reimbursement or purchase order basis. As defined by the Department of Housing and Urban Development (HUD), a business qualifying as a micro-enterprise has five (5) or fewer employees, one of whom is the applicant/owner; and is owned primarily by owner(s) with low or moderate income household (CFR 570.201(o)). [SEE APPENDIX A].

2.0 PROGRAM REQUIREMENTS

2.1 Eligibility and Terms

Eligible microenterprise businesses may be awarded up to \$15,000 in Micro-Enterprise loan funds through the Micro Fund application process.

i. Eligibility

- For-profit business is located in City of Racine
- Applicant is 51% + majority owner of business
- Owner/applicant is on business payroll
- Owner/applicant is a qualified Low/Mod Income household
- 18 years or older
- Valid SS #, EIN & DUNS, Business Bank Account
- Registration with IRS, WI DFI, WI DOR, and/or WI WDW
- Complete business plan
- Owner/Applicant is not currently in bankruptcy
- Owner/Applicant is current with property taxes, or has a payment plan in place with County
- Business liability insurance within 30 days
- In business more than 6 months
- Satisfied deliverables of other City-based funding requests (as applicable)

ii. Terms

- \$15,000 max
- Interest: ½ to 3 percent
- 5 year maximum term
- Principal deferred for first 12 months
- CPA and/or professional bookkeeping services contracted for first 12 months of the loan term
- Project report provided to City within 60 days of final fund draw down.

iii. Fees

- a. Application Fee: \$50 due upon submittal of application. Refundable, less staff expenses, if not funded.

2.2 PROGRAM SERVICE AREA

Financing under this Program is available to eligible micro-enterprise for-profit businesses registered and located within the City of Racine jurisdictional boundaries. The location of the business will consider the place of business administration and registration address. Funds will not be provided to businesses registered or located outside of City of Racine jurisdictional boundaries, however, businesses providing goods or services outside of City of Racine jurisdictional boundaries are eligible.

2.3 FUNDING SOURCE AND REIMBURSEMENT

The Micro Fund is funded through Community Development Block Grant (CDBG) funds provided by the federal Department of Housing and Urban Development (HUD) to the City of Racine. As such, these funds have federal requirements, as described below. Loan applications will be processed in enrollment periods as outlined in the public releases of the Notice of Funding Availability (NOFAs). Applications will be accepted until the Micro Fund is fully spent.

Funds will only be disbursed by [reimbursement](#) to the borrower for documented eligible project expenses, or paid directly to third party vendors for purchase orders. Successful applicants will submit eligible expenses to department staff on certified reimbursement invoices. Invoices will be paid within 30 days.

2.4 ELIGIBLE APPLICANTS

All eligible applicants must meet the definition of a microenterprise as outlined by HUD in 24 CFR 570.201(o)3. For CDBG purposes:

- A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise;
- Owner must income qualify as a Low or Moderate Income Household (see table Appendix A)
- Eligible applicants must have a registered business address in the City of Racine jurisdictional boundaries and be in operation for more than six (6) months;

2.5 INELIGIBLE APPLICANTS

- Ineligible applicants are businesses whose principal owner does not qualify as Low or Moderate Income as outlined in 24 CFR 570.
- An ineligible existing business applicant is one that has a physical business location or registration outside of the City of Racine jurisdictional boundary.
- An ineligible applicant is a business with more than five (5) employees.
- Nonprofits are not an eligible microenterprise business, and will not be considered for funding.
- Ineligible businesses include payday loan businesses, liquor and tobacco stores, pawn shops, firearm or other weapons dealers, adult entertainment, passive real estate investments, or home-based businesses operating without appropriate zoning and/or permits.

2.6 ELIGIBLE USE OF FUNDS

The City of Racine, Housing and Community Development Division will review the project scope of work submitted in the application. Applicants will collect third party cost estimates for project costs at the application stage. Funds are restricted to certain eligible costs, such as:

- Operating capital for leasing space, insurance and/or utilities, staff salaries [barring owner salaries].
- Purchasing inventory, supplies, accounting and inventory software, furniture, fixtures, and equipment
- Rehabilitation of owner-occupied or leased space (maximum \$2000 construction costs)
- Professional services including engineering, architectural, local permits or fees, business consulting services as approved by City staff
- Equipment purchase (with or without installation costs)
- Refinancing of existing business debt in conjunction with financing other eligible costs (<25% of request)
- Marketing materials and advertising including website development and servicing

2.7 INELIGIBLE USE OF FUNDS

In addition to CDBG-ineligible costs outlined in 24 CFR 570, funds under this Program may not be used to:

- Reimburse expenses incurred prior to Applicant approval of loan or grant.

- Pay off non-business debt, such as personal credit cards for purchases not associated with the business.
- Purchase personal expenses such as buying a new family car or making repairs to a participant's home.
- Direct financing to political activities or paying off taxes and fines.
- Purchase personal items, or support other businesses in which the borrower may have an interest.
- Construction fees over \$2,000

Furthermore, funding recipients may not shift more than 10% of total project budget from one budget category to another without written approval from the City.

2.8 APPLICANT CAPACITY

The City will confirm that the business and the applicant(s) possess the capacity to execute the project proposal to be successful with the use CDBG funds. As such, loan applicants for the Micro Fund are required to demonstrate management capacity and ability to successfully operate a business.

2.9 MICROENTERPRISE DEFINITION REQUIREMENT

Loan applicants for this program must meet the CDBG definition of a microenterprise business per 24 CFR 570.201(o) a microenterprise business is:

- A business that has five (5) or fewer employees, including the owner(s).
 - All employees, part time and full time, on the business payroll at the time of loan application.
 - "Employee" includes all owners of the business on the payroll
 - Business must provide third party records documenting the current number of employees on the payroll, including all owners of the business. Acceptable documents include IRS filings, WI Department of Workforce Development withholdings, or third party payroll records.
- Microenterprise business owner(s) households must be income eligible per HUD household income limits as defined in HUD's 24 CFR 570.

2.10 COLLATERAL AND SECURITY REQUIREMENTS

Machinery, equipment, or other fixtures purchased with Micro Fund financing will be collateralized to the greatest extent possible with liens. Personal and/or corporate guarantees are required on all loans. Loans may be secured in the strongest possible position to ensure loan repayment in the event of a default.

3.0 MICROENTERPRISE PROGRAM DETAILS

3.1 GENERAL CREDIT REQUIREMENTS

A. Outstanding Taxes, Fines and Fees

Outstanding debts from municipal citations, child support, taxes owed to federal and state agencies, and delinquent property taxes do not disqualify applicants, **IF** proof of formal payment arrangements is provided.

B. Traditional Credit

Though personal credit scores will not be used to determine eligibility, personal debt accrued to finance business operations will be considered to determine owner equity and Debt Service Coverage ratio. Applicants must provide pertinent information as it relates to the business enterprise, and may elect to submit personal credit information if they feel it would strengthen their application. Loan repayments will be reported to credit agencies as a means of improving applicant business credit scores and future bankability.

C. Debt Service Coverage

Applicant must show that the loan payment will be covered by the projected revenue of the business. Typical **debt service coverage ratios (DCR) for the program are 1.15**. That is, there is \$1.15 in revenue to cover each \$1.00 in debt; or revenue totals 115% of debt. Debt Service Coverage as low as 1.05 will be accepted on a case-by-case basis. The debt ratio will be calculated for the applicant's business financials only using reasonable income projections from the business plan and owner equity as outlined in section 3(b).

3.2 OTHER REQUIREMENTS

Loan Applicants must:

- Own >51% of business
- Submit a full business plan
- Show business revenue (current and projected)
- Not be listed on the Federal Debarred list (SAM Search)
- Provide a valid DUNS number and CAGE code
- Allow City to complete an Environmental Review (NEPA) before starting project
- Show ability to operate with the new loan payments, on a sound financial basis
- Show that loan is of sound value and provides for the current and future needs of the business
- Contract qualified book-keeper or CPA for initial twelve (12) months of loan (eligible expense)
- Submit annual financial reports certified by a Certified Public Accountant

3.3 PROGRAM ADMINISTRATION

The City will:

- Originate Micro Fund loans and/or grants
- Market the micro-enterprise program and promote enrollment dates
- Accept and process applications
- Complete Income Eligibility qualification and document number of employees
- Review and underwrite loan and grant requests
- Ensure a timely loan closing and disbursement of funds
- Maintain loan files and fiscal records
- Administer donations, grants, and program income used to fund this program
- Ensure compliance with program guidelines
- Provide City, RDA, and relevant committees annual program updates

3.4 LOAN COLLECTION AND SERVICING

The City will act as the loan collection agent for its CDBG micro-enterprise loans. The duties of the City staff will include the following:

- Process reimbursement payments, loan repayments, and general accounting in city and federal databases
- Reporting all loan payments and payoffs to appropriate Grantee staff
- Initiate loan collections, including asset liquidation pending loan default
- Obtain first-year annual financial statements to monitor loan requirements
- Negotiate changes in repayment terms

3.5 MEETING CDBG NATIONAL OBJECTIVE REQUIREMENT

Under federal regulations, use of CDBG funds for microenterprise activities must meet the national objective of benefit to low/moderate ("low/mod") income persons under the Limited Clientele definition at the time of income certification and for 6 months following certification. As such, all microenterprise owner households

must be documented as employees of the business and meet HUD's low/mod income definition prior to receiving any Program services. This is in addition to meeting the "definition" of a microenterprise, as described above. The Grantee will verify that microenterprise owner(s) meet HUD's low/mod income household requirement by completing the HUD 24 CFR Part 5.609 income verification process. Micro Fund program applicants must submit documentation to complete the income verification process to determine program eligibility. Separate files will be maintained by the City for each CDBG Microenterprise program. As with other microenterprise program activities, if the City determines that the applicant income information is not accurate, is over HUD's income limits, is using funds for ineligible activities, or is disqualified from receiving federal assistance, then all program services will cease immediately and allocated funds will be due and payable immediately. Applicants whose eligibility has changed, may reapply within twelve (12) months, pending full repayment of any previously allocated funding.

NOTE: After funds are disbursed, income may increase for business owner households or any employees. Applicants and associated employees are not obligated to remain low or moderate income households.

3.6 OTHER CDBG FEDERAL REGULATIONS

There are a number of other federal laws and state regulations that are triggered with use of CDBG funding. The Applicants will ensure compliance with these requirements. Any impacts on a proposed project will be explained at the time of loan application screening so loan applicants understand how the project might be impacted by these and other regulations.

[An environmental review](#) is required by HUD to be completed by the City for each business funded with CDBG monies (24 CFR 58). The review must be completed prior to any project related activities commencing with the business, and the review must encompass all aggregated project-related activities for the business. The environmental review will comply with HUD's regulations regarding the National Environmental Policy Act (NEPA). The City of Racine is required to complete and certify the NEPA review. The level of environmental review is determined by the type of proposed project and the associated activities. The loan applicant will be informed of any additional loan processing time due to the NEPA review. No costs will be charged to the applicant for this process.

[Federal Davis Bacon regulations](#) and related compliance acts are required when utilizing CDBG funding for construction costs over \$2000. In addition, state prevailing wage may be triggered with the use of CDBG funding. The City will work with applicants to ensure that funded business projects are in compliance with state and federal prevailing wage laws. Applicants will be informed of any additional time, costs, or administrative work required due to the prevailing wage regulations, and any additional costs may be incorporated into the business loan.

[Federal acquisition and relocation laws](#) may be triggered when using CDBG funds (24 CFR 570.606). Acquisition laws, both federal and state, must be followed when CDBG funds are used to assist in the purchase of real property. In the same way, federal and state relocation laws apply if a person or a business is displaced because of the use of CDBG funding. The City will work with loan applicants to ensure that the business is in compliance with any state or federal acquisition /relocation laws triggered by the project. Applicants will be informed of any additional time or costs or administrative work required due to acquisition or relocation regulations.

[A Dun and Bradstreet number \[DUNS\]](#) is required for businesses receiving Micro Fund assistance. The DUNS number is free and can be obtained online. A copy of the printout with the applicable DUNS number will be kept in the program participant file. DUNS must be provided so the City can ensure that all businesses and participants are not on the federal debarred list.

No conflict of Interest is allowed, in accordance with Title 24, Section 570.611 of the code of Federal Regulations. As such, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG program shall directly or indirectly be eligible for this program. Grantee will verify and require applicant to certify that a conflict of interest does not exist with the business or applicant. Exceptions to this policy can be made only after Grantee's legal counsel makes a written determination that potential conflicts are acceptable.

The City must collect certain income and demographic data from applicants. The City will collect this information and keep it in the program participant file.

4.0 PROGRAM OPERATIONS AND LOAN PROCESSING

4.1 PROGRAM MARKETING AND OUTREACH

Program marketing will be conducted by the City and will affirmatively target women and minority-owned enterprises. Examples of marketing include media coverage with ads in local papers and distribution of marketing brochures to local chamber of commerce, and business networking organizations. Presentations may be scheduled for these groups as well as real estate groups, local commercial banks and Grantees. The local Small Business Development Center (SBDC) or other similar entity may be used as a referral agency.

4.2 EQUAL OPPORTUNITY COMPLIANCE

The Micro Fund will be implemented in ways consistent with the Grantee's commitment to state and federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG program funds on the basis of his or her religion, religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause.

4.3 APPLICANT CONFIDENTIALITY

All personal and business financial information will be kept confidential to the extent permitted by law. Micro Fund participant files with personal and business confidential information will be kept in locked, secured storage units.

4.4 DISPUTE RESOLUTION/APPEALS PROCEDURE

Applicants whose applications are not selected or not deemed eligible have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final. An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director of City Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the City's solicitation document (NOFA), the applicant's application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

Applicants may resubmit twice within any given calendar year for consideration if originally denied, pending active NOFAs. Application fees, less administrative fees, will be refunded to applicants upon denial of application.

4.5 EXCEPTIONS / SPECIAL CIRCUMSTANCES

The City will not make exceptions to policies and procedures outlined in the program guidelines derived from HUD requirements. The city, however, reserves the right, at its sole discretion, to deviate from City imposed policies and procedures in extenuating circumstances. A request for exception to program guidelines shall be submitted to staff in writing by applicant. Exceptions are defined as any action which would depart from policy and procedures stated in the guidelines.

4.6 LOAN CLOSING PROCESS

Upon successful completion of application process, City staff will prepare for the loan closing by preparing the loan closing documents, title and lien searches, and UCC-1 filings, as appropriate. All agreements and documents will be reviewed by the City's legal counsel, as necessary. Project summaries will be provided to the Community Development Committee annually.

Loan closing costs may be paid with application funds. After closing, the applicant submits invoices to request reimbursement funds from the City. City staff will review invoice requests and initiate the reimbursement payment process. CDBG funds will only be disbursed for reimbursement to the borrower for documented eligible project expenses or may be paid directly to third party vendors for purchase orders.

4.7 APPLICATION REVIEW

Applications to the Micro Fund program are presented by business owners/agents to City staff. City staff shall have the option of creating an advisory committee to assist in review, underwriting, and determining funding recommendations. If active, City staff will schedule advisory committee meetings and coordinate review of each loan application prior to forwarding funding recommendations to the Redevelopment Authority of the City of Racine. City staff will present applications and recommended action to the Redevelopment Authority of the City of Racine for review and approval.

4.8 APPLICATION TIMELINES

- | | |
|-----------------------|--|
| • Applications Due | SEE MICRO FUND Notice of Funding Availability (NOFA) |
| • Review | Up to 90 days |
| • Contract processing | Up to 15 days |

Contracts for approved loan applications will be drafted by City staff and circulated for signatures to:

- Applicant
- City of Racine
 - City Attorney
 - City Development Director
 - Finance Director
 - Mayor
 - City Clerk

APPENDIX A

2018 HUD LOW/MOD INCOME HOUSEHOLD THRESHOLDS

FY 2018										
Racine City, WI										
			PERSONS PER HOUSEHOLD							
FY 2018 Income Limit Area	Median Income		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Racine City	\$67,300	MAX HOUSEHOLD INCOME	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
UPDATED ANNUALLY BY HUD										

Source: <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

Please include the following sources of income from all adult members of the household for income calculation:

- | | | |
|---|---|--|
| <input type="checkbox"/> Salary/Wages | <input type="checkbox"/> Bonuses/Incentives | <input type="checkbox"/> Commissions/Tips |
| <input type="checkbox"/> Interest/Dividends | <input type="checkbox"/> Loan Repayments | <input type="checkbox"/> Unemployment Compensation |
| <input type="checkbox"/> Rent (As Landlord) | <input type="checkbox"/> Reverse Mortgage | <input type="checkbox"/> Court Settlement |
| <input type="checkbox"/> Self-Employment Draw | <input type="checkbox"/> Social Security Survivors | <input type="checkbox"/> Annuities |
| <input type="checkbox"/> Alimony | <input type="checkbox"/> Child Support | <input type="checkbox"/> 401(k)/403(b) Plans |
| <input type="checkbox"/> Disability/Long Term Insurance | <input type="checkbox"/> Social Security Disability | <input type="checkbox"/> Military Pension |
| <input type="checkbox"/> VA Disability Benefits | <input type="checkbox"/> Workers' Compensation | <input type="checkbox"/> Union Pension or Disability |
| <input type="checkbox"/> Deferred Compensation | <input type="checkbox"/> Pension/Profit-Sharing | <input type="checkbox"/> Other (specify): |
| <input type="checkbox"/> Social Security/Retirement | <input type="checkbox"/> Keogh/IRA Plans | |

APPENDIX B

CDBG MICROENTERPRISE REVOLVING LOAN FUND PROGRAM

SCORING MATRIX

If the purposed project meets all threshold criteria, City Staff will utilize the following project scoring criteria to evaluate the purposed project for the purposes of making funding recommendations. Scoring will help determine priority of project application versus other projects competing for loan funds. The highest scoring projects will be recommended for funding.

This table is provided as a reference only, and will be filled out by program staff and/or advisory committee.

Evaluation Criteria (100 Point Scale + BONUS):

Capacity and Experience to Carry Out the Project (15 Points) <ul style="list-style-type: none">○ Applicant has the demonstrated capacity to complete the project. Consider project status, industry experience, and business development classes and resources.	
Readiness to Proceed (10 points) <ul style="list-style-type: none">○ Through the submitted business plan, the project has thoroughly demonstrated a proof of concept and clear market analysis. Proposal includes a clear plan for implementation including a realistic timeline with set deliverables.	
New Business Enterprise (10 points) <ul style="list-style-type: none">○ Business has been operating for less than 2 years	
Leverage of other Programs and Funding (20 Points) <ul style="list-style-type: none">○ Proposal includes other funding sources received within the past 12 months including: crowd sourcing, Business Improvement District grant assistance, County/State grants, owner equity, City Whitebox/Façade grants. Up to 20 Pts awarded based on ratio of matching funds to the loan requested: 20 Pts for 3:1, 15 Pts for 2:1, 10 Pts for 1:1, 5 pts for ¾:1, and 0 points for a lower ratio.	
Minority Business Enterprise (10 points) <ul style="list-style-type: none">○ Business is a minority-owned business enterprise (51%).	
Section 3 Registered (10 points) <ul style="list-style-type: none">○ Business is a HUD-registered Section 3 business enterprise. https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness	
Located in a Retail District (10 points) <ul style="list-style-type: none">○ Business <i>is or will be</i> located in an established business corridor including: Downtown, Uptown, Douglas Avenue, or West Racine.	
City Better Positioned for Economic Development (15 Points) <ul style="list-style-type: none">○ Project will result in stronger systems through collaboration and connection of economic development efforts across the greater Racine area.	
Application Completeness (5 Point BONUS) <ul style="list-style-type: none">○ Up to 5 point Bonus for application with concise descriptions and backup information, professional writing and accurate math.	
TOTAL	

Appendix C

Helpful links

City of Racine- Dept of Housing and Community Development

<https://www.cityofracine.org/CityDevelopment/Community-Development/>

<https://www.cityofracine.org/CDV/RFP/>

Federal EIN –

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

WI Business Resources- registration and basic information

<https://openforbusiness.wi.gov/>

WI Dept of Financial Institutions-

<https://www.wdfi.org/corporations/>

WI Dept of Revenue-

<https://www.revenue.wi.gov/Pages/Businesses/New-Business-home.aspx>

<https://www.revenue.wi.gov/Pages/Form/with-home.aspx>

WI Dept of Workforce Development-

<https://dwd.wisconsin.gov/ui/>

<https://dwd.wisconsin.gov/wc/>

Dun & Bradstreet- DUNS –

<https://www.dnb.com/duns-number/get-a-duns.html>

CAGE code-

<https://www.sam.gov/SAM/>

HUD Section 3 Registration-

Info: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>

Register here: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>