



**TO:** CRA Chairman & Board of Commissioners  
Fort Lauderdale Community Redevelopment Agency

**FROM:** Chris Lagerbloom, ICMA-CM, Executive Director

**DATE:** October 20, 2020

**TITLE:** Resolution Amending the Fort Lauderdale Emergency Business Investment Program for the Northwest-Progresso-Flagler Heights and Central City Areas - **(Commission Districts 2 and 3)**

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners pass a Resolution amending the Fort Lauderdale Emergency Business Investment Program for the Northwest-Progresso-Flagler Heights (NWPFH) and Central City Areas only, make certain findings, and delegate authority to the Executive Director to execute certain instruments and take certain actions.

**Background**

On June 16, 2020 (CAM #20-0406), Fort Lauderdale Community Redevelopment Agency Board of Commissioners (FL CRA) passed a Resolution creating the Fort Lauderdale Emergency Business Investment Program (the "Program") in response to the impact of COVID-19 on small businesses. The Program is open to eligible businesses in Central City and Northwest-Progresso-Flagler Heights CRA areas and eligible businesses throughout the City which meet national objectives and guidelines as defined by the U.S. Department of Housing and Urban Development (HUD).

On July 8, 2020, the Program was published through various communication channels including paid advertisements, CRA-targeted mailing list, and digital platforms such as City social media accounts, email subscription and CRA dedicated webpages. The notification advised of the Program and the enrollment period to apply via online-based beginning July 15, 2020 and ending July 31, 2020.

Overall, the Program received 277 online applications of which 103 were deemed eligible to move to the second-round vetting process to certify the business location and the self-reporting information provided by the applicant. Next, the prequalified applicants were further divided into the applicable funding categories (Central City, Northwest-Progresso-Flagler Heights, Community Development Block Grant CARES Act (CDBG-CV) funds

managed by Housing Community Development) for a third-round of review involving staff reaching out to the applicants.

In the third phase of the review process, CRA staff requested additional supporting documents from a total of 45 qualifying CRA applications; 6 located in Central City Area and 39 located in the Northwest-Progresso-Flagler Heights Area. Of these, only 17 met the required criteria and are ready to be awarded; 10 are disqualified; and 18 are incomplete due to failure to provide some or all required documentation.

The following chart highlights the number of qualifying applications and the review status of each applicant per CRA area:

<b>3rd ROUND REVIEW PROCESS - RESULTS</b>			
<b>(45) qualifying application Status</b>	<b>(6) Central City Area</b>	<b>(39) Northwest-Progresso-Flagler Heights Area</b>	<b>CRA Program Status Total</b>
<b>Approved</b>	1	16	17
<b>Disqualified</b>	3	7	10
<b>Incomplete</b>	2	16	18
<b>IF APROVE RECOMMENDED MODIFICATIONS</b>			
<b>Number of disqualified applicants benefiting from Modifications</b>	2	1	3

At the CRA Board meeting on June 16, 2020, a request was made to evaluate the Program to ensure the emergency funds aid as many eligible businesses as possible. Given the data collected, CRA staff believes the Program requirements may be too onerous and burdensome such that most businesses would not qualify for funding. Further examination suggests certain modifications may be made to allow more businesses to qualify for funding. As it stands, 3 of the 9 disqualified applications will qualify if the following modifications are adopted.

CRA staff recommends waiver of following Program Guidelines:

<b>CURRENT REQUIREMENT</b>	<b>TYPE OF CHANGE</b>	<b>REVISED REQUIREMENT</b>
1. Have not received other forms of federal or state COVID-19 assistance or relief at the time of application.	➤ Change	➤ This requirement is eliminated. However, if the applicant received an award from another federal or state source, the CRA loan amount must equal previously received federal or state COVID-19 related assistance not to exceed the Program loan maximum

		<p>amount of \$10,000. The applicant must submit proof of COVID-19 award from federal or state sources.</p> <ul style="list-style-type: none"> <li>➤ <b>Disclaimer:</b> CRA does not assume liability for funds received from third parties to cover the same or similar operating expenses. It is the Borrower's responsibility to determine whether it may be subject to liability to other parties upon receipt of this Forgivable Loan from the CRA.</li> </ul>
<p>2. A business operating within CRA Area must have been operating in the area for at least six months.</p>	<ul style="list-style-type: none"> <li>➤ Change</li> </ul>	<ul style="list-style-type: none"> <li>➤ This requirement is eliminated. An applicant holding a current business tax receipt and provides proof of a current commercial lease or show ownership of real property within the CRA area prior to the pandemic shall satisfy this requirement.</li> </ul>
<p>3. One loan per eligible business</p>	<ul style="list-style-type: none"> <li>➤ Clarification</li> </ul>	<ul style="list-style-type: none"> <li>➤ A loan shall only be provided to one eligible business associated with a single property address once; i.e. tenant vs. landlord of the same property address shall not be awarded separately for the same property address.</li> <li>➤ A commercial property owner may only be approved for 1 loan regardless of the number of commercial properties owned and occupied. This does not apply to an eligible businesses/tenant occupying the space.</li> </ul>
<p>4. Must have a current business tax receipt (BTR).</p>	<ul style="list-style-type: none"> <li>➤ Exception</li> </ul>	<ul style="list-style-type: none"> <li>➤ Commercial property owners without a business tax receipt shall meet this requirement only if properties/building(s) owned are occupied by an eligible business that holds an up-to date business tax receipt.</li> </ul>
<p>5. Home-based business not eligible</p>	<ul style="list-style-type: none"> <li>➤ Exception</li> </ul>	<ul style="list-style-type: none"> <li>➤ Home-based businesses will be evaluated by a working group*. The working group is reconstituted to include only the staff of each CRA Area as the members of the working group</li> </ul>

The recommended waiver allow access to working capital for businesses affected by the economic consequences of COVID-19 health-related restrictions.

Upon approval from the CRA Board of Commissioners, the modified Program shall apply only to eligible businesses located in the Central City Area and Northwest-Progresso-Flagler Heights Area. Thus, the online application shall reopen and shall be restricted to eligible businesses based in zip codes 33311, 33304, 33301 within the CRA boundaries only. Previously disqualified CRA applications ruled out on basis of other unmodified Program requirements will not be considered.

If the Board approves these modifications, staff also recommends granting the Executive Director the discretion to increase the award to an amount not to exceed \$20,000 based on need, the number of applicants and availability of funds.

For clarification purpose, modifications shall not apply to CDBG-CV funds available to eligible businesses City-wide due to federal disaster law prohibiting the provisions of federal assistance in excess of need or duplication of benefits for the same expenses or loss.

#### Consistency with the NPF CRA Community Redevelopment Plan

Section 8.C., titled “Other City and CRA Government Functions – CRA Incentives and Programming,” provides that the CRA will establish incentive programs as deemed appropriate to address redevelopment obstacles and these incentive programs may be modified, expanded, eliminated, or added as a new program at any time.

A major component of the redevelopment strategy for the NPF CRA is to support existing and start-up companies in the Redevelopment Area. The Program is consistent with the NWPFH CRA Community Redevelopment Plan which seeks to stabilize small businesses that provide employment and job opportunity, reduce vacancy rates and stabilize commercial rents.

#### Consistency with the Central City Community Redevelopment Plan

Section V.A, titled “Redevelopment Strategies - Purpose”, provides that CRA can provide matching funds for a variety of property improvements such as code compliance and commercial building facades. It can also provide small business loans as well as a number of employment initiatives.

The Central City Redevelopment Plan is designed in part to stimulate commercial development, support retention of businesses and create employment opportunities in the area. The Emergency Business Investment Program is consistent with the Plan in that it provides the assistance necessary to help protect Central City redevelopment objectives, to protect its investments into business improvements, as well as to alleviate the danger of slum and blight spreading within the redevelopment area.

#### **Resource Impact**

Funds for this program are available in Fiscal Year 2021 in the accounts listed below.

Funds available as of October 1, 2020					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092111-4204	Emergency Business Assistance – NWP FY21	Operating Subsidies	\$400,000	\$400,000	\$400,000
119-CRA092112-4204	Emergency Business Assistance – CC FY21	Operating Subsidies	\$424,250	\$424,250	\$330,000
				<b>TOTAL ►</b>	\$730,000

**Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace.
- Objective: Nurture and support existing local businesses.
- Objective: Create a responsive and proactive business climate to attract emerging industries.
  
- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods.
- Objective: Work with partners to reduce homelessness by promoting independence and self-worth through advocacy, housing and comprehensive services.
- Objective: Ensure a range of affordable housing options.
- Objective: Create a continuum of education services and support.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community and We are Prosperous*.

**Attachments**

- Exhibit 1 – Modified Fort Lauderdale Emergency Business Investment Program
- Exhibit 2 – Modified CRA Agreement
- Exhibit 3 – Resolution (Central City)
- Exhibit 4 – Resolution (Northwest-Progresso-Flagler Heights)

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