



**CITY OF FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY**

**\*\*MODIFIED AND RESTATED OCTOBER 20, 2020**

The Fort Lauderdale Emergency Business Investment Program is an investment program, designed to assist small businesses who have had limited access to financing programs (e.g. Small Business Administration (SBA) Paycheck Protection Program (PPP), Economic Injury Disaster Loan Emergency Advance). Its purpose is to provide a direct infusion of capital to help stabilize very small businesses (one to 10 employees) located in the Fort Lauderdale Northwest Progresso Flagler Community Redevelopment Area (NWPFH), the Central City Community Redevelopment Area as well as eligible Community Development Block Grant (CDBG) low- and moderate-income census tracts in the City of Fort Lauderdale.

Many businesses in these areas have had difficulties in accessing financing through the aforementioned programs often due to the lack of expertise in preparing the application, existing bank relationships, distribution of loans by banks to their customers and the overwhelming demand for the loans.

***Target businesses:***

The Emergency Business Investment Program is designed to serve as a bridge to a more stable economic cycle and help stabilize the most vulnerable small businesses in the Fort Lauderdale NWPFH CRA, the Central City CRA and eligible Community Development Block Grant (CDBG) low- and moderate-income census tracts. The target businesses to be served are the ones less likely to be served by the SBA:

1. A prioritization of Minority/Women/Disadvantaged Business Enterprise businesses since statistically, these businesses tend to have a 30% shorter cash buffer than majority-owned businesses.
2. A prioritization of businesses that have or are reconfiguring their COVID-19 business models to retain hourly workers, since they will likely have salutatory economic benefits.
3. A prioritization of businesses that are vital anchors in the Fort Lauderdale community since these small businesses contribute to overall community cohesiveness and social capital.

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4. A prioritization of businesses least likely to be served by the SBA Paycheck Protection Program, where banks have mostly loaned to clients with pre-existing relationships. Because of this, PPP has missed certain vulnerable businesses that lack pre-existing lending relationships.

***Requirements:***

The Fort Lauderdale Emergency Business Investment program provides funds up to \$10,000 and is available to qualified for-profit small businesses including, sole proprietors, partnerships, corporations, and limited liability companies, that as of March 9, 2020, had been in business within the Northwest Progresso Flagler Heights CRA, Central City CRA or a low- and moderate-income census tract within the City of Fort Lauderdale for at least six months. Qualified small business applicants must be an employer business with between one to 10 employees.

The investment has a maturity of 24 months at an interest rate of 0%. Only one investment may be made to eligible businesses. The investment repayment will be due in 24 months but may be fully or partially forgiven for businesses based on their fulfillment of requirements to use and expend funds for eligible purposes.

The NWPFH CRA, Central City CRA and the City of Fort Lauderdale have set a goal to award at least 25 percent of funding to disadvantaged, women and minority-owned businesses.

***Uses of funds:***

Funds can be used for the following expenses that maybe incurred from March 9, 2020 (date of order declaration of State of Emergency by the Governor of the State of Florida) up to six months beyond the date of application.

- Business Lease or Rent (under bona fide written lease)
- Mortgage payments
- Payroll
- Utilities

***Funds may not be used for:***

- Funds may not be used for capital improvements or personal expenses, and if a business fails to reopen or to remain open, all funds must be returned to the NWPFH CRA/Central City CRA/City within 14 days. During the equity investment, no dividend or repayments loan shall be issued or repayments loans to shareholders, members or affiliates of the corporate entity.

***Application Period:***

- June 1, 2020 through September 30, 2020 contingent on the availability of funds.
- Funds will be made available after July 1.

***Who is Eligible?***

- For-profit businesses with one to 10 employees and less than a \$1,000,000 in annual revenue.
- Must have been operating for at least six months in the eligible area. \*\*
- Must be located within Fort Lauderdale Northwest Progress Flagler Heights Community Redevelopment Area (CRA), the Central City Community Redevelopment Area (CRA) as well as eligible Community Development Block Grant (CDBG) low- and moderate-income census tracts in the City of Fort Lauderdale
- Must have a current Business Tax Receipt (BTR) \*\*
- Certify that they have not received other forms of federal or state COVID-19 assistance or relief at the time of application \*\*
- For property owner applicants, property must be in compliance with City of Fort Lauderdale Code requirements.

***Eligible Types of Businesses:***

- ☐ Restaurant/food service
- ☐ Merchandise retail
- ☐ Service retail
- ☐ Small theatre (movies and live performances).
- ☐ Fitness facility
- ☐ Technology firms
- ☐ Co-working spaces
- ☐ Performing/creative arts

***Businesses Not Eligible:***

- ☐ Faith institutions
- ☐ Non-profit organizations
- ☐ Home-based businesses \*\*
- ☐ Professional services
- ☐ Check cashing stores
- ☐ Bail bond companies
- ☐ Massage parlors

- ☐ Golf courses
- ☐ Liquor stores
- ☐ Firearm sales/shooting ranges
- ☐ Vapor/E cigarette establishments
- ☐ Adult entertainment establishments

Other ineligible businesses are businesses engaged in any business use that does not further the goals and objectives of the NWPFH CRA or Central City CRA plan or does not satisfy the national objectives of the U.S. Department Housing and Urban Development Department, as determined by the NWPFH CRA or Central City CRA or the City of Fort Lauderdale in the exercise of its reasonable discretion.

### ***Required on Application***

- ☐ Cover sheet with eligibility requirements
- ☐ Application – include eligibility requirements under appropriate question
- ☐ 12/31/2019 Year-end financial statements (balance sheet and income statement)
- ☐ IRS returns 2018 and 2019 (if available, otherwise internal financials)
- ☐ Three months bank statements
- ☐ Business Tax Receipt
- ☐ Organization documents (e.g. registration with State, licenses)
- ☐ Compelling statement of need: How COVID-19 virus has affected the business.
- ☐ Code compliance documentation for property owners
- ☐ Copy of the Lease/Note/Mortgage, payroll statements, and utility statements

### ***Equity terms***

- Zero-interest for 24 months
- Repayment in 24 months
- The business must remain open and active during the 24-month period.

### ***Capitalization:***

- \$500,000, NWPFH CRA
- \$340,000, Central City CRA
- Up to \$500,000 Community Development Block Grant COVID 19Response (CDBG-CV) funds for targeted and eligible businesses (i.e. located in low- and moderate- income census tracts).
- The capitalization of the Fund maybe expanded with matching private and philanthropic funds.

### ***Application Review and Administration:***

- The Emergency Business Investment Program will be administered by the Fort Lauderdale CRA
- Small business loan and grant programs funded with Community Development Block Grants must meet most of the conventional CDBG program requirements, such as creating or retaining jobs for low- and moderate-income workers or benefitting communities in which 51 percent or more of residents are low- and moderate-income.
- If CDBG funds are used, prioritization will be given to those businesses in the retail, food, and beverage, and personal service industries within eligible low- and moderate-income areas, however, all businesses are encouraged to apply.
- A scoring system will be established to underwrite applications by each funding source.
- A Review Committee comprised of the Fort Lauderdale NWPFH CRA, Central CRA and the Office of Housing and Community Development, Economic and Community Investment Division, Nighttime Economy Division will review the underwriter's recommendation and make final investment recommendations to the City Manager/ NWPFH CRA Executive Director /Central City CRA Executive Director for approval.

### ***Application process:***

- ☐ Businesses that apply will be required to submit documentation that supports their compliance with the respective program guidelines. The assistance will be awarded on a first-come, first-ready basis, until funding is exhausted.
- ☐ All the necessary information and forms will be available on the NWPFH CRA's, Central City CRA's and the City's website
- ☐ The first step in the application process is for the applicant to complete a one-page pre-application certifying eligibility.
- ☐ Upon certification that the business is qualified, the applicant may then proceed to completing the application and providing all necessary supplemental information.
- ☐ Applications will be considered on a first-come, first-serve basis and are subject to available funding.
- ☐ The Northwest Progresso Flagler Heights CRA will handle intake of all applications and refer the application to the appropriate funding source (i.e. Central City CRA and Division of Housing and Community Development) for loan packaging and underwriting.
- ☐ Each funding source will make recommendations to the Review Committee for a final recommendation for the City Manager's/CRA's Executive Directors' decision.
- ☐ Documents will be sent via DocuSign, a secure transfer program.

### **Technical Assistance:**

- Ongoing technical assistance to each equity investment recipient may be made available through the following sources:
  - Urban League Entrepreneurial Center
  - SCORE
  - Small Business Development Center.

### **Supporters and Funding Needs:**

- Organizations or individuals interested in contributing to the Emergency Business Investment Program may contact the NWPFH CRA.

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### **\*\* MODIFIED CRA PROGRAM REQUIREMENTS – RESTATED OCTOBER 20, 2020**

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- **Reference: CAM 20-0716**

CURRENT REQUIREMENT	TYPE OF CHANGE	REVISED REQUIREMENT
1. Have not received other forms of federal or state COVID-19 assistance or relief at the time of application.	➤ Change	<ul style="list-style-type: none"><li>➤ 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 amount of \$10,000. The applicant must submit proof of COVID-19 award from federal or state sources.</li><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>
2. A business operating within CRA Area must have been operating in the area for at least six months.	➤ Change	<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</li></ul>

		satisfy this requirement.
3. One loan per eligible business	➤ Clarification	<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>
4. Must have a current business tax receipt (BTR).	➤ Exception	<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>
5. Home-based business not eligible	➤ Exception	<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>