



# Micro-Enterprise Assistance Program 2010 – 2011 Guidelines



# **Micro-Enterprise Assistance Program**

## **Policies and Guidelines**

The City of Miami has established a Micro-Enterprise Assistance Program in accordance with the goals and objectives outlined herein. The Micro-Enterprise Assistance Program, which will be administered by the City of Miami (“City”) Department of Community Development (“CD”), will be capitalized using Community Development Block Grant (“CDBG”) funds authorized under 24 CFR 570.201(o). Under this category, grantees and other public and private organizations may use Community Development Block Grant (CDBG) funds to facilitate economic development through the establishment, stabilization and expansion of micro-enterprises.

### **Purpose**

The goal of the Micro-Enterprise Assistance Program is to provide low to moderate income business owners with financial assistance and technical support that will result in business expansion, increased revenues and economic development of the area. Funds are provided to create economic benefit through increased revenues and the creation and the retention of jobs and businesses in the City.

### **Eligible Area**

- Business is located within the boundaries of District 5 of the City of Miami.

### **Applications are Evaluated Based on the Business**

- Financial viability
- Community economic impact
- Capacity to leverage funds from other sources
- Potential to increase sales
- Readiness to proceed
- Owner’s experience

### **Grant Amount**

Maximum: \$10,000.00

- A US HUD Release of Grant Conditions or a confirmation of exempt status has to be issued prior to disbursing funds.

## **Eligible Use of Funds and Activities**

- Grant funding expenditures have to be allowed, necessary, and reasonable as stipulated in the Office of Management and Budget Circular A-122 (OMB A-122) for the type of business applying for funding. Funds can be used for expenditures such as:
- .Purchase and Installation of machinery, equipment, furniture, fixtures
- Technology infrastructure and upgrades
- Inventory and supplies
- Marketing
- Payment of rent, utilities, licenses and insurance.

## **Ineligible Use of Funds**

Expenditures not allowed under this program include, but are not limited to, the following items:

- Salaries
- Construction/Rehabilitation
- Vehicle Purchases/Leases
- Security Deposits
- Outstanding Debts or paying off a creditor of the business owner/business
- Late Fees
- Providing funds for distribution or payment to the owner, partners, or shareholder of the applicant.
- Paying of any tax lien or liability.

## Eligibility Criteria

A business owner/business may qualify for consideration provided it meets the following criteria:

1. Business is for-profit.
2. Business must be a Micro-enterprise as defined below:
  - Operating business having five or fewer employees, one or more of these (employees) owns the business.
3. Business owner must have an income less than or equal to 80% of the area median income, adjusted for family size (see income chart in page 5).
4. Business must be located in the City of Miami, District 5.
5. Applicants must be current in all financial obligations with the City of Miami. The City of Miami will not fund a business owner or a business with outstanding disallowed costs, defaulted loans, debarment actions or any other legal encumbrance, regardless of the merits of the submitted application.
6. Business is an equal opportunity employer.
7. Project involves no negative environmental impacts.
8. Applicant must be willing to comply with all regulations, guidelines and policies as they relate to the program.
9. Business owner(s) and/or business have not received assistance under the Micro-Enterprise Assistance program two or more times.

## Required Information

It is necessary that applicants and/or business owner(s) submit documentation along with the program application supporting requirements listed below. Failure to do so will disqualify applicants and/or business owner(s) from this program.

- 1- **Proof of Income**: Business owners with low and moderate income households qualify for this program. Those levels are defined as incomes equal to or less than the U.S. HUD Rental Subsidy Program (Section 8) low-income or very low-income limits established by HUD annually.

It is necessary for Applicants to submit documentation showing that they meet low to moderate income household requirements listed below.

The FY 2010 Table for Section 8 follows:

	Program	One Person	Two Persons	Three Persons	Four Persons	Five Persons	Six Persons	Seven Persons	Eight Persons
MIAMI-DADE FY2010 Median Family Income: \$52,200	Extremely Low Income - 30% of Median	\$14,800	\$16,900	\$19,000	<b>\$21,100</b>	\$22,800	\$24,500	\$26,200	\$27,900
	Very Low Income - 50% of Median	\$24,650	\$28,150	\$31,650	<b>\$35,150</b>	\$38,000	\$40,800	\$43,600	\$46,400
	Low Income - 80% of Median	\$39,400	\$45,000	\$50,650	<b>\$56,250</b>	\$60,750	\$65,250	\$69,750	\$74,250

- 2- **Proof of number of employees:** It is necessary for Applicants to submit documentation showing that the business employs 5 or less employees (including the owner). Failure to do so will disqualify applicants from this program.
- 3- **Proof of location of business:** It is necessary for Applicants to submit documentation showing that the business is located in District 5 of the City of Miami. Failure to do so will disqualify applicants from this program.
- 4- **Proof that business is for profit:** It is necessary for Applicants to submit documentation showing that the business is a for-profit entity. Failure to do so will disqualify applicants from this program.

In the event an application is submitted without all required documentation, the applicant will be notified within 5 business days of submission. Applicants will then have 5 business days to submit all missing required documents. If the applicant fails to submit all required documentation within 5 business days of notification, his or her application will not be considered for funding through this program.

## Priorities for funding recommendations

When recommending applicants for funding, priority will be given to businesses located in the Commercial Business Corridors as defined in the 2009-2013 City of Miami Consolidated Plan. For District 5, these corridors are shown below:

### Commercial Business Corridors

Below are the boundaries for the business corridors in District 5.

- ✓ NE 2<sup>nd</sup> Avenue, from 51<sup>st</sup> Street to 63<sup>rd</sup> Street
- ✓ NW 7<sup>th</sup> Avenue, from 53<sup>rd</sup> Street to 63<sup>rd</sup> Street
- ✓ NW 15<sup>th</sup> Avenue, from 62<sup>nd</sup> Street to 71 Street
- ✓ NW 62<sup>nd</sup> Street, from I-95 to NW 17<sup>th</sup> Avenue
- ✓ NW 54<sup>th</sup> Street, from 7<sup>th</sup> Avenue to 17<sup>th</sup> Avenue
- ✓ NW 2<sup>nd</sup> Avenue, from 34 Street to 38<sup>th</sup> Street

You may also visit the City's website to review the Consolidated Plan (<http://www.miamigov.com/communitydevelopment/pages/Reports/>).

### Other Program Requirements:

- If recommended for funding, Business Owners will be required to sign a contract with the City of Miami. The contract term will be for one (1) year, with the City of Miami retaining the option to renew or extend the agreement with the owner/business for an additional year, subject to satisfactory performance, available funding, and ongoing community needs.
- The application must be submitted in the legal name of the applicant (ie. Name of business owner(s), corporation name as registered with the Florida Department of State, Division of Corporations, etc.).
- For Corporations, information demonstrating that the corporation has an "Active" status in the Florida Department of State, Division of Corporations.
- The business owner or an authorized representative of the corporation who has legal authority to bind the organization in a contract with the City of Miami must sign applications.
- Submission of an application shall constitute acknowledgement and acceptance of all terms and conditions contained in this guidelines and the application. *Acceptance of an application does not constitute a contract and does not obligate the City to award funds.*

- The City may require additional information for the determination of the applicant's qualifications.
- Application responses must comply with the requirements detailed in this document. Applications that are incomplete, out of order, have an inadequate number of copies, lack required attachments, or have other content errors or deficiencies may be rejected.
- Payments will be made directly to the vendor(s) on behalf of the program participant.
- All participants will be assigned to work with an agency that will provide Technical Assistance.
- Program participants are required to attend a business related course approved by the City of Miami. The City may not disburse any funding until this requirement is met. The course fee will be paid with the participant's grant funds.
- Businesses should have all the valid and applicable City of Miami and Miami-Dade County business licenses (occupational license and certificate of use) and any other professional licenses. If the business does not have the appropriate licenses when this contract is executed, then they must be obtained. Applicants can utilize this grant (if awarded) to obtain said licenses. Applicants must provide copies of all these licenses to the Department.
- All business owners selected to receive this grant must have a Duns & Bradstreet number. This number must be provided to the City before grant funds can be released.

### **Non-recommended Applications**

Applications will not be recommended or disqualified for approval for the following reasons:

- Applicant did not provide documentation demonstrating that the eligibility criteria have been met.
- Applicant did not provide income information for all members of household.
- Owner(s) did not provide income information.
- If the business and/or business owner has been assisted under the Micro-Enterprise Assistance Program two (2) or more times.
- The business is not located in District 5 of the City of Miami.
- If the grant will provide funds for speculation in any kind of property, real or personal, tangible or intangible;
- If the applicant is a charitable institution or non-profit enterprise:

- If the purpose of the grant is to finance the acquisition of real property or land.
- If the Applicant and/or its principals are indebted to the City of Miami.
- If the Applicant and/or business owner(s) have been debarred from doing business with federal, state, county or local governments.
- Lack of funds.

## **Application Fee**

There will be no application fee.

## **Appeal Process**

Applicants will have 10 business days from the receipt of the letter not recommending the applicant to appeal the decision. The applicant can provide additional documents at that time for consideration of the approval committee. If the applicant is not recommended a second time, no further appeals will be entertained.

## **Grant Approval**

Micro-Enterprise Assistance approval committee(s) will be created to evaluate the grant applications. The committee will be made up of three (3) members who will make funding recommendations based upon the applications submitted. Once the recommendations have been made, final funding decisions will be made by the City.

The grant applications will be approved on first come, first ready, first served basis, subject to the availability of funds.

## Scoring Criteria

Complete Program Applications will be evaluated upon the quality of the response provided to each question. Incomplete applications that do not contain all required supporting documentation will not be evaluated.

All complete program applications will be evaluated as follows:

	<u>Maximum Points</u>
1. Business Information	
a. Stability/growth potential of business	10
b. Applicant provided a clear business description	10
c. Applicant clearly described how the grant would be used	10
d. Proposed use of funds appears reasonable and necessary for the business, as described within the application	5
2. About the Applicant	
a. Applicant is experienced in the business activity described within the application	10
b. Applicant resides within the City of Miami	2
c. Applicant resides within District 5	<u>3</u>
<b>Total :</b>	<b><u>50</u></b>
3. District Priorities (Additional Points)	
a. Business located within target corridor (see page 6)	5
b. Business located within the N.E. 2 <sup>nd</sup> Avenue corridor	3

**Minimum Score Required for Consideration: 28**