

2013 CDBG APPLICATION

Enterprise Fund Activity – Microenterprise (ME) – Forms

APPLICANT NAME: County of El Dorado

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**Click on the box, drop-down menu or text box to enter information.*

ACTIVITY	SELECT	DOCUMENTATION	PAGE(S)
Microenterprise Forms <i>(All pages)</i>	Required	All Forms and Documentation	x to x
NEED			
Unemployment Rate <i>(As listed in Appendix O)</i>	No Action Required	No Documentation Required	No Documentation Required
Market Analysis:	Yes	All Parts Required	x
- Understanding Market Conditions	YES	Narrative	x
- Identifying and Analyzing Lending Opportunities and Competitors	YES	Narrative	x
- Demand Projections	YES	Narrative	x
- Conclusions	YES	Narrative	x
BENEFIT			
Poverty Rate <i>(As listed in Appendix A)</i>	No Action Required	No Documentation Required	No Documentation Required
Proposed Activity and Beneficiaries	Yes	Chart	x
READINESS			
Program Description:	Yes	Yes	
- Program Organization and Activity Flow Charts	In-House Adm	Charts	x
- Microenterprise Task Matrix	Unknown at th	Task Matrix	x
- Description of the Organization and Structure	Yes	Narrative	x
Program Operator Status:	Yes	Yes	
- Approved Contracts for All Subrecipients and Consultants Procured; (or)	N/A	Subrecipient	x

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- Grantee will be Using In-House Staff Solely, or in Conjunction with Others for Activity; (or)	Combination	Combination	x
- Grantee does not have Approved Contracts and/or Agreements Executed Subrecipient Agreement; Program Operator Contract; or Sample RFP	Technical Assi	Draft RFP Duty Statement	x
Program Operator and/or Consultant Documentation:	Yes	Yes	
- Complete Duty Statements	Yes	In-House Staff	x
- Complete Resumes of Program Operator and Staff	Yes	In-House Staff	x
- Identification of Key Staff Performing ED Financial Analysis and Underwriting	Yes	In-House Staff	x
- Documented Experience of the Program Operator and Staff	Yes	In-House Staff	x

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A. Activity Information:

1. Description of Activity: (See instructions.)

The Microenterprise Assistance and the Business Assistance Loan Programs were established by the County and funded through an award from the California State Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Economic Development Allocation. The Microenterprise Assistance Program furthers the County's goal of supporting local business by providing technical assistance services and loans ranging between \$1,000 and \$25,000 for applicants seeking business start-up or current business owners, who meet HCD grant requirements. The business must employ or plan to employ five (5) or fewer employees, including the owner(s). The applicant must earn 80 percent or below of the area median income, adjusted for household size. The business must operate in the unincorporated areas of El Dorado County. Loan funds can be used for working capital, purchase of supplies and equipment, and leasehold improvements/furniture and fixtures.

The Microenterprise Technical Assistance Program (TAP) provides technical assistance to eligible microbusinesses (five or fewer employees including the owner) and potential business owners. The primary goal of the TAP is to provide the opportunity for those seeking to start a business, and/or those who currently operate a small business, to gain the skills necessary for success. Training workshops provide the skills and knowledge to organize, manage, market and finance a small business and prepare a business plan. Technical assistance and advisory services will assist the business through start-up and/or expansion to maintain viable operations.

The target income group (TIG) under the CDBG grant is defined as families, households, and individuals whose annual incomes do not exceed 80 percent of the County median income, adjusted for household size. The business owner(s) or potential business owner(s) must be in the TIG and must demonstrate an ability to make repayment on the loan. All loans are fully-secured by collateral and no unsecured loans are made.

2. Microenterprise Funding Break Out:

MICROENTERPRISE (ME) ACTIVITIES	ACTIVITY AMOUNT REQUESTED (\$)
Technical Assistance	\$100,000
Financial Assistance	\$60,000
Support Services	\$0
TOTAL	\$160,000

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B. Need for Activity:

In this section, the need for ME Assistance is based on the Jurisdiction's annual unemployment rate as well as a Market Analysis provided by the Applicant.

1. **Average Unemployment Rate:** Since the Applicant pool sets the scoring range for all data driven criteria, during rating and ranking the Department will use the Jurisdiction's county unemployment rate listed in **Appendix O**.

2. **Market Analysis:** See the Application Instructions for the outline for developing the market analysis. All components listed below are required for scoring. ***Be sure to include the page numbers for the items below in the Table of Contents above.***
 - ✓ Understanding Market Conditions
 - ✓ Identifying/Analyzing Lending Opportunities and Competitors
 - ✓ Demand Projections
 - ✓ Conclusions

C. Benefit:

The Applicant must provide the following information:

1. **Poverty Rate:** Since the Applicant pool sets the scoring range for all data driven criteria, during rating and ranking the Department will use the Jurisdiction's poverty rate listed in **Appendix A**.

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2. Proposed Activity and Beneficiaries – Microenterprise Assistance:

<u>MICROENTERPRISE ASSISTANCE</u>				
<u>PROPOSED ACTIVITY(S) AND BENEFICIARIES</u>				
Complete and enter the following information:				
1. The projected number of businesses to be assisted; and,				
2. The estimated number of Low/Mod beneficiaries proposed under this Application.				
<u>ACTIVITIES</u>	<u>No. of Business Expansions</u>	<u>No. of Business Start-Ups</u>	<u>No. of Low/Mod Beneficiaries</u>	<u>CDBG National Objective*</u>
<u>FINANCIAL ASSISTANCE (LOANS/GRANTS)</u>	1	2	9	<input checked="" type="checkbox"/> Low/Mod
<u>TECHNICAL ASSISTANCE</u>	6	6	12	<input checked="" type="checkbox"/> Low/Mod
<u>SUPPORT SERVICES</u>				<input type="checkbox"/> Low/Mod

* For ME Assistance activities meeting the Low/Mod benefit, National Objective, all persons/business owners must be documented as low-income. (ME activities are not required to create or retain jobs but must track any job activity for CDBG reporting purposes.)

D. Readiness:

1. **Program Description:** Be sure to add the page numbers for the associated documentation in the Table of Contents above.
 - a) **Program Organization and Activity Flow Chart:** Please use the sample in **Appendix S**.
 - b) **ME Assistance Task Matrix:** Please complete the Sample ME Assistance Task Matrix form below.

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Enterprise Fund Activity – Microenterprise (ME) – Task Matrix Form

TASK	PROGRAM OPERATOR	CITY/COUNTY
Approve RLF Guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Clear Special Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Prepare Funds Requests	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monitor Grant Expenditures	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Generate Fiscal/Performance Reports	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Coordinate Grant Activities with Program Operator and Grantee	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Oversee Program Implementation and Activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compile Official Grant Project Files	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monitor Achievement of Goals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Report on Progress to Grantee and Local Governing Body	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Meet with Local Economic Developers to Solicit Referrals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Create and Distribute Program Flyers and Newsletters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Write Press Releases and Market ME services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Participate in Loan Advisory Review	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Loan Servicing and Accounting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Create and Update the Program Website	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Determine Business Size and Eligibility as a ME	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ascertain Readiness of Potential Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ascertain Readiness in Eligible, Enrolled Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Gather Baseline Data on Potential Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Gather Baseline Data on Eligible, Enrolled Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Field Calls from Potential Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Create Service Plan For Eligible, Enrolled Participant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Coordinate Course Offerings with Community Colleges and Other Providers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Set Up Courses and Schedules for Eligible, Enrolled Participants	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assist in Preparing Business Plan and Marketing Strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Courses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Curriculum Development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Class/Training Preparation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Guide Eligible, Enrolled Participants in Resolving Business Issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Field Calls from Enrolled, Eligible Participants	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meetings/Counsel Sessions with Eligible, Enrolled Participants	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Assist in Preparing Loan Application	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Collect and Input Eligible, Enrolled Participant Data	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prepare and Submit Cost Allocation Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Report on Program Outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Determine Indicators for Tracking	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Evaluate Program Effectiveness	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Create Database to Match Participant Data Collection	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attend HCD Workshops	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ME Financial Assistance -Part 5 Income Determination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ME Technical Assistance – Income Screen for Low/Mod Status to Establish Eligibility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Add additional task here:</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Add additional task here:</i>	<input type="checkbox"/>	<input type="checkbox"/>

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- c) **Description of the Organization and Structure of the Activity:**
Be sure to add the page numbers for the associated documentation in the Table of Contents above.

Describe: The Microenterprise Technical Assistance Program provides the low/mod business community opportunities not easily accessed in a traditional environment. Outreach and program training is directed at persons in the low/mod income group that have an interest in learning what it takes to become a small business owner and for those looking to expand their current business but are unsure of how to reach that goal.

Working with community partners and an outside firm or individual for training activities, the Program assists the low/mod income community in developing businesses that provide services and products necessary to local consumers and to larger businesses in the area.

Activities to be performed include assisting qualified business owners and potential business owners by developing and delivering a business training program for microenterprises; providing one-on-one technical assistance and mentoring; assisting with the development of a business plan; and assisting in the preparation of a loan application.

The County of El Dorado meets local need by providing a Program which:

- Improves the County's local employment base by providing self-employment opportunities to low/mod income business owners;
- Encourages diversification of the economic base, especially in resource-dependent rural locations;
- Provides technical assistance and support services to new and recently-established businesses to expand knowledge and management practices; and,
- Improves the economic viability of participating business ventures by providing advisory services and business loan funding opportunities for qualified program participants.

2. **Program Operator's Status:** *(Check the appropriate box.) Be sure to add the page numbers for the associated documentation in the Table of Contents above.*

- The Application has an executed contracts for all subrecipients and Applicant has an executed subrecipient agreement(s) for all

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subrecipients and procured consultants per HUD procurement guidelines (Chapter 8 of the CDBG GMM).

- Grantee will be using in-house staff for the activity either solely or in conjunction with subrecipient/consultant. Grantee has executed subrecipient agreement(s) and/or consultant contract(s).
- Grantee does not have executed subrecipient agreement(s) or contract(s) with consultant(s) and will be procuring services for this activity.

The Applicant must provide a copy of the subrecipient agreement or Request for Proposal (RFP) that will be used by the grantee to procure the program operator and/or consultants for this activity. In the case where the Applicant uses an RFP procurement process, the Applicant must provide the method of evaluation and selection for the program operator and/or or consultants.

3. Program Operator and/or Consultant Qualification Documentation: *Be sure to add the page numbers for the associated documentation in the Table of Contents above.*

Based on the answer provided in the previous question: The Applicant must include the following for each individual performing work under this activity:

- Complete duty statement of all job positions.
- Complete resumes of all individuals performing work under the activity; include relevant experience with emphasis on any CDBG Revolving Loan Account (RLA), grant management, income qualification, marketing, and CDBG financial underwriting training and experience.
- Identify individual(s) performing financial underwriting for ME loans.
- Provide certificates of training that substantiate ED financial expertise or CDBG specialization.