



TO: Community Development Commission

FROM: Anne Catlin, Lead Long Range Planner  
Bob Richardson, Planning Manager

*alc*

DATE: September 8, 2014

SUBJECT: September 15, 2014, Meeting

ACTION REQUESTED: The Community Development Commission is requested to give direction on:

- Housing Rehabilitation Loan Policies
- New Business Small Grant Application
- Fiscal Year 2015-2016 Program Planning

DISCUSSION:

Most of the first two years of programs and projects are underway or will be soon. As we gain experience, modifications to programs or policies may be warranted. This month the Commission is asked to provide direction on housing rehabilitation loan policies and will test the New Business Small Grant Program as described below. A majority of the meeting will be spent deciding how to evaluate program areas for the FY 15-16 Action Plan, which must be available to the public by April. At the June 16 meeting of the Commission, it was suggested that a subcommittee work with staff to suggest how to evaluate programming needs. The subcommittee's recommendations and direction requested are outlined below.

1. Housing Rehabilitation Loan Policies. We have targeted housing rehabilitation efforts in a several block area in Census Tract 204 (east of Geary Street and north of 1<sup>st</sup> Avenue) in an attempt to concentrate funding for greater impact. A few home owners have expressed interest in the housing rehabilitation program and have applied for funding; however, all applicants to date will need policy waiver requests. ***Action Requested:*** *Provide direction regarding policies related to minimum income, minimum loan amount and equity.* Please review the owner-occupied policies in highlighted in yellow in **Attachment A**. Staff comments are provided in ***red italics***. A few minor non-policy amendments are shown in bold and strike.
2. New Business Small Grant Review. Small grants up to \$5,000 are available to offset start-up costs for microenterprises and new businesses. Questions raised at the June meeting have been answered in the updated program brochure in **Attachment B**, which includes the evaluation criteria. Review of the first grant application will assist staff in fine-tuning the application materials and evaluation criteria. The application is **Attachment C**. ***Action Requested:*** *Evaluate the grant application and decide on the request. In addition, staff would like your feedback on the application content and evaluation criteria.*
3. FY 2015-2016 CDBG Program Planning. Staff met with the Program Planning subcommittee (Joann Zimmer and Iris Carrasco) to discuss how to evaluate community needs and identify eligible programs to address needs for FY 15-16. Please review the following documents in preparation for this discussion:
  - Consolidated Plan Goals Summary Table (**Attachment D**). This is a list of the overall goals of the 5-year Consolidated Plan. (The full Plan is in your CDC notebook; see pages 137-138.)

- CDBG Eligible Program Summary (**Attachment E**). More detailed information on eligible programs is in the *CDBG Program Guide to National Objectives & Eligible Activities for Entitlement Communities* (in your CDC notebook).

Background on each program area is provided, followed by the subcommittee recommendations, and action requested by the Commission.

Continue Existing Programs in FY 15-16: In general, the subcommittee recommends continuing funding to the following program areas, with amounts to Economic Development and Removing Barriers to accessibility to be based on specific proposals.

- Public Services** – This CDBG activity category is capped at 15 percent of the total HUD award. Eligible activities include a variety of services for Albany’s low-income residents, such as services for seniors, homeless, victims of domestic violence and sexual assault, public safety services, drug abuse counseling and treatment, job training, recreation, education, child care, and health care. **Subcommittee Recommendation:** *No change in amount or process. Fund Public Services at 15 %; solicit applications from area agencies for programs; CDC to evaluate applications. Action Requested: Identify goals and objectives for these programs.*
- Economic Development** – CDBG funding is currently supporting Linn Benton Community College’s (LBCC) microenterprise courses for low and moderate income LMI residents and is paying most of the tuition for small businesses to enroll in LBCC’s Small Business Management Program that create jobs for LMI residents. In addition, the city will be providing grants to new businesses and small businesses to offset costs to create jobs for LMI residents. Other eligible activities include special economic development activities – including commercial or industrial improvements such as building rehabilitation, acquisition, construction, and real property equipment and improvements. **Subcommittee Recommendation:** *Assess economic development needs by evaluating requests from LBCC and other agencies in December or January. Consider a round-table discussion with guests at the October or November meeting to discuss needs and how they match up with eligible programs. Action Requested: Direction on how to evaluate economic development needs.*
- Removing Barriers to Accessibility** - The City selected a stretch of the Dave Clark riverfront path for ADA improvements in FYs 13-14 and 14-15. Public Works is working on the project design to develop a construction cost estimate. **Subcommittee Recommendation:** *A CDC tour of the project and more information on mobility and accessibility issues. Action Requested: Direction on subcommittee recommendations.*
- Housing Rehabilitation** – The deferred loan and essential repair program funding for 13-14 and 14-15 has been targeted to several blocks in Census Tract 204, and a mailing was sent to some of the small rental properties in Census Tract 208. **Subcommittee Recommendation:** *Target program in Sunrise neighborhood - increase awareness of these programs; hold an open house for landlords; translate brochures into Spanish. See more below.*

Proposed FY 15-16 Programming Focus: Sunrise Park Neighborhood, Census Tract 208

**Subcommittee Recommendation:** *Due to the positive participation and response by neighbors to improvements at Sunrise Park, the subcommittee recommends working with Sunrise neighbors to identify issues and needs that could be addressed with the balance of CDBG funding in 2015-2016. Action Requested: Direction on pursuing activities in the Sunrise neighborhood.*

The suggested steps and timeline are outlined below:

- September - Meet with neighborhood leaders to hear about issues in the area.
- Early-Mid October – CDC tour of Sunrise issues and discussion of potential CDBG programs.
- November /December – Work with neighborhood to prioritize needs that could be addressed with CDBG funding.
- January/February – Present CDBG program ideas to CDC.

Eligible CDBG activities are listed below and more fully described in **Attachment E**.

- Public facilities and improvements
- Privately-owned utilities
- Acquisition of real property
- Clearance of real property
- Code enforcement
- Special economic Development – commercial or other rehab, etc.

ALC/



## NOTICE OF PUBLIC MEETING

### CITY OF ALBANY COMMUNITY DEVELOPMENT COMMISSION

WILLAMETTE ROOM  
Albany City Hall, 333 Broadalbin Street SW

Monday, September 15, 2014  
12:00 p.m.

## AGENDA

CALL TO ORDER	(12:00) Zimmer
WELCOME & INTRODUCTIONS	
BUSINESS FROM THE PUBLIC	
APPROVAL OF MINUTES: APRIL 14, 2014 MEETING	(12:05) Zimmer
HOUSING REHAB LOAN POLICIES DISCUSSION	(12:10) Staff
SMALL BUSINESS GRANT APPLICATION REVIEW	(12:25) Staff
FY 15-16 PROGRAM PLANNING DISCUSSION	(12:40) Staff
OTHER BUSINESS AND PROGRAM UPDATES	(1:15) Staff
ADJOURN	(1:20)
NEXT MEETING: October 20, 2014	

***The location of the hearing is accessible to the disabled. If you need special accommodations to attend or participate, please notify the Human Resources Department in advance by calling 541-917-7500.***

**CITY OF ALBANY  
COMMUNITY DEVELOPMENT COMMISSION  
Willamette Room, 333 Broadalbin Street  
Monday, April 14, 2014  
12:00 p.m.**

**MINUTES**

Community Development Commissioners Present: Sharon Konopa; Jo Zimmer; Cortney Hall; Terry Knoll; Tara Dixon; Wanda Kinney; one vacancy

Community Development Commissioners Excused: Danon Kroessin; Iris Carrasco

Staff present: Anne Catlin, Lead Long Range Planner; Edene Rice, Administrative Assistant; Mark Shepard, Community Development Director

**CALL TO ORDER**

Chair Zimmer called the meeting of the Community Development Commission (CDC) meeting to order at 12:04 p.m.

**PUBLIC COMMENTS**

Diana Bradley with C.H.A.N.C.E introduced herself and was present during the meeting

**DRAFT 2014-2015 ACTION PLAN REVIEW**

Catlin referred to the Attachment A in the agenda packet as it identified how funds are being distributed.

Catlin updated the Commission that FISH is withdrawing their application because the costs associated with adding more beds is cost prohibitive. Catlin informed the Commission they would need to re-allocate \$10,400.

Discussion pursued regarding the FISH guest house. Catlin explained that adding more beds changes the occupancy type and a sprinkler system would be required. Commissioners noted the need for the expanded services and asked if something could be done to encourage the project to continue. Kinney said that the Fire Department had donated time to install sprinkler systems for a Habitat for Humanity project and suggested FISH pursue this option.

Discussion took place as to how the money would be redistributed if FISH pursues withdrawing the application.

**MOTION:**

Knoll made the motion that if the FISH grant needs to be reallocated, that \$1,000 of the \$10,400 to be dedicated for use in translation services and the remaining \$9,400 to be proportionally divided between Jackson Street Shelter, CARDV and C.H.A.N.C.E. Dixon seconded the motion; vote was taken 6-0, all in favor.

**CITIZEN PARTICIPATION PLAN**

Catlin reviewed the Citizen Participation (Attachment B in the agenda packet)

**MOTION:**

Dixon moved that the Community Development Commission adopt the Citizen Participation Plan as is. Hall seconded the motion; vote was taken 6-0, all in favor.

**FAIR HOUSING PLAN**

Will need to be adopted and updated as needed. This Plan captures information from the Consolidated Plan.

**MOTION:**

Dixson moved that the Community Development Commission adopt the Fair Housing Plan as is. Hall seconded the motion; vote was taken 6-0, all in favor.

**SMALL BUSINESS GRANTS PROGRAM**

Discussion took place regarding the parameters for eligibility and to clarify performance measurements. The Commission wants to be sure that LBCC provides assistance with this application process and review as a part of the funding that they receive.

**APPROVAL OF MINUTES**

- January 13, 2014 Community Development Commission, approve with corrections
- February 24, 2014 approved as written

**PROGRAMMING UPDATES**

Catlin updated the Commission on the following items:

- Javier Cervantes is stepping down from the Community Development Commission
- Integrating the Latino Community
- Public Input
- Public Outreach

Shepard then recommended to Catlin that she create a schedule for the 2014-2015 funding year with deadlines so that members of the Commission will know what's coming up.

**ADJOURN**

Chair Zimmer adjourned the meeting at 1:35 p.m.

**NEXT MEETING:** June 16, 2014

Submitted by

Reviewed by

Edene Rice  
Administrative Assistant

Anne Catlin  
Planner III

**CITY OF ALBANY  
HOUSING REHABILITATION LOAN PROGRAM  
POLICIES**

**INTRODUCTION**

The goals of the Albany Rehabilitation Loan Program are:

1. To alleviate health and safety problems and correct structural deficiencies in target area homes.
2. To conserve and improve existing low income housing stock.
3. To increase housing opportunities for low and moderate-income households.
4. To enable lower income residents of the targeted areas to remain in their homes.

**SECTION I: APPLICANT ELIGIBILITY**

In order to be eligible for a Housing Rehabilitation Loan, an applicant must meet all of the following requirements:

- 1:1 **Residency:** The applicant must own and occupy the property to be rehabilitated. The property must also be in the target area approved in the grant application and cannot be listed or posted for sale.
- a. Owner-occupied household; own and occupy the property to be rehabilitated; or
  - b. Owner of rental units when the rents for at least 51% of the units do not exceed the fair market rent standards as determined by HUD for persons earning less than 50% of the area median income.
- 1:2 **Income:** Annual gross income of the applicant household must not exceed 60% of the Linn County median income limits established by HUD, and incomes may not exceed 50% for the renter-occupied units proposed for rehabilitation. It is a program priority to give preference to very low-income households, below 50% of HUD's median family income, particularly those that are minorities, elderly, handicapped, large family or single parent households. ***Staff Comments: Despite census data indicating there are thousands of homeowners earning less than 60% of the median family income (MFI), there has been little interest from owners in the target area in Census Tract 204 or in response to the newspaper article on the program. Policy Direction: Consider loans to households earning 80% MFI, but still give preference to those with the lowest incomes if demand picks up for the program.***
- a. Total gross income includes, but is not limited to, the following: wages, tips, interest, dividends, social security benefits, pensions, annuity income, alimony, child support, welfare payments, veteran's benefits, disability benefits, stipends or living allowances. Income does not include "windfall payments" such as lump sum insurance settlements, capital gains due to the sale of a personal residence or business, or food stamps.
  - b. For the purposes of this subsection, "Applicant" includes all members of the household, cohabitants, and other persons sharing residency whose incomes are available to the household.
  - c. To determine the applicant's income for eligibility purposes, one of the following methods will be used:
    1. Applicants with full-time employment will annualize their current monthly income.
    2. Applicants receiving social security and welfare will annualize their current monthly benefit.

3. Applicants working temporary, part-time and seasonal occupations will have income computed from their latest federal income tax return.
  4. Applicants who attended school at any time in the twelve months prior to applying for a loan will annualize their current monthly income. If the student applicant received no income during the twelve months prior to application they will not be considered eligible for a loan.
  5. Self-employed persons will take the average of their income from their last two federal income tax returns.
- d. Income and employment information submitted by applicants will be subject to verification:
1. Applicants who annualize their current monthly income or benefit must provide a copy of the check(s) for the month prior to application.
  2. Applicants employed in temporary, part-time or seasonal occupations or self-employed persons must provide copies of federal income tax return(s).

1:3 Net Worth: The net worth of an applicant household (exclusive of equity in subject property, one automobile and household property) may not exceed \$25,000.

- a. An applicant household with at least one household member age 62 years of age or older may have a net worth of up to \$40,000 as defined in subsection 1:3.
- b. "Assets" may include, but are not limited to: Investment property, bank accounts, stocks, bonds or vehicles. Applicant household assets held in officially designated retirement accounts are excluded for the first \$100,000 for those households where all applicants are less than 62 years of age. For applicant households with at least one person age 62 or older, assets held in officially designated retirement accounts are excluded for the first \$250,000.
- c. For purposes of this subsection, "applicant household" includes: all persons sharing the household including applicant's spouse, dependent children, cohabitants, or other persons sharing residency in the household.
- d. For the purpose of this subsection, "Subject Property" is that property that includes the house and the lot. The lot size is determined as the size of the parcel that included the house at the time of the initial purchase. For instance, in an area zoned with five-acre minimums, the "Subject Property" would be the house, as well as the five-acre lot. Any property subsequently purchased would be included as an asset.

1:4 Gap Financing for Owner-Occupied Units: Housing Rehabilitation Loan Funds are intended to provide gap financing; to cover those costs not able to be financed by any other source of funds. Applicants requesting Housing Rehabilitation Loan Funds must demonstrate that other loan funds are not available to them. One or more of the following will provide evidence of their inability to secure other loan funds:

- a. Income that is below 50% of HUD's Median Family Income for the County in which they reside.
- b. A credit score of 650 or below.
- c. Monthly debt that is 38% or more of the household monthly income.
- d. A loan rejection letter from a bank or lending institution.

1:5 Community Housing Services Employees, City of Albany Employees, and Community Development Commission Members: No employee of the Community Housing Services division of the Community Services Consortium, or City of Albany, or members and families of the Community Development Commission who exercise any functions or responsibilities in connection with administration of the Albany CDBG Housing Rehabilitation Loan Fund shall be eligible for a Housing Rehabilitation loan, nor shall such a person have any interest, direct or indirect, in the proceeds of such a loan.

- 1:6 Previous Assistance. Applicants who have previously received a deferred payment housing rehabilitation loan through the Community Services Consortium are a lower priority.

## SECTION 2: PROPERTY ELIGIBILITY

- 2:1 Location: Property must be located within one of the target areas in the Consolidated plan or Annual Action Plan for which funding was approved and cannot be listed or posted for sale.
- 2:2 Reasons for Disqualification: The existence of the following conditions could disqualify a structure for a Housing Rehabilitation Loan.
- a. The structure has deteriorated to the extent where rehabilitation is not economically feasible.
  - b. The structure and use are in substantial are nonconforming with the zoning regulations and/or the Albany Comprehensive Plan and the City's building codes.
  - c. Significant code violations exist which would be extremely difficult and/or economically unfeasible to correct.
  - d. The proposed expenditure would not increase the value of the property sufficiently to protect the owner's existing equity.
  - e. The cost of the repairs required to bring the dwelling up to minimum property standards will exceed the program's loan limit.
- 2:3 Inspections/Rehabilitation Standards: Each property will be evaluated by the Rehabilitation Construction Coordinator prior to making a determination as to its eligibility. The preferred standard will be the HUD Minimum Design Standards for Rehabilitation for Residential Properties. The minimum standard acceptable will be the HUD Section 8 Housing Quality Standards. Buildings must be rehabilitated to the extent that they will be suitable for occupancy for at least 20 years. Buildings must also meet the Uniform Building Code for new construction or the Department of Energy Weatherization Standards based upon the highest standard feasible for specific weatherization measures.
- a. In order for the property to be eligible for assistance, the homeowner must agree to carry out all necessary improvements to meet program minimum property standards set forth in Section 2:3.
- 2:4 Historic Properties: Properties over 50 years in age will have proposed improvements approved by the State Historic Preservation Office ~~unless there is in place a programmatic agreement with the State Historic Preservation Office and the Advisory Council on Historic Preservation.~~ **If the property is on Albany's Local Historic Inventory, all exterior alterations shall also be approved by the City of Albany and may require a land use application and approval.**
- 2:5 Lead Based Paint: All houses constructed before 1978 shall have their projects completed in accordance with the Lead Based Paint Poisoning Prevention Act and HUD regulations 24 CFR 570.487 (c) and subsequent revisions to this act include 24 CFR Part 35, Subpart J. When homes are constructed before 1978, a lead hazard evaluation will be conducted on surfaces that are proposed to be disturbed or it will be assumed that lead is present. Interim controls or standard treatments must be done on all applicable painted surfaces and presumed lead-based paint hazards by a qualified contractor. Lead-safe pamphlets will be distributed and all contractors must be lead-certified and use lead-safe work practices.
- 2:6 Property in Flood Plain: Property located in a special flood hazard area as identified by the secretary of Housing and Urban Development will not be eligible for assistance unless the community in which the property is located is participating in the National Flood Insurance Program.
- 2:7 Judgments: A judgment in excess of \$3,000 at the time of entry will disqualify the property for a Housing Rehabilitation Loan.

- 2:8 Federal Tax Liens: All Federal Tax Liens must be satisfied prior to loan closing.
- 2:9 Property Taxes: All real property taxes that are due and payable at the date of loan closing must be paid before loan closing if the property taxes due, existing liens, and the rehabilitation loan exceed 50% of assessed or County real market value.
- 2:10 Consent from Holders of Prior Unpaid Financial Obligations: Written consent from all holders of unpaid financial obligations must be secured prior to loan closing if required under prior financing agreements. Prior financing includes but is not limited to prior mortgages, trust deeds, and land sales contracts.
- a. Unpaid financial obligations containing balloon payment provisions may disqualify the property for a Housing Rehabilitation Loan. The Community Development Commission must approve all loans when prior financing agreements contain balloon payment provisions.
- 2:11 Fire Insurance: All premiums for fire insurance coverage that are due and payable at the date of loan closing must be paid before loan closing.

### SECTION 3: THE REHABILITATION LOAN

- 3:1 Loan Terms: All loans will be deferred, no-interest loans. The loan will be secured by a Note and Trust Deed and will be due upon sale or transfer of ownership by the last surviving borrower.
- 3:2 The minimum loan amount is \$10,000. The maximum amount of a Housing Rehabilitation Loan will be the lesser of the following:

#### Owner-Occupied:

- a. \$20,000; or
- b. Actual cost of approved rehabilitation work and fees for owner-occupied dwelling units; or
- c. The applicant's equity in subject property as determined by subtracting all liens and/or judgments of record from county real market value. If a certified appraiser has appraised the property at a higher value within the past 120 days, 90% of this value may be used to calculate equity in the property.

#### Renter-Occupied:

- d. 50% of the actual costs of approved rehabilitation work and fees, up to \$20,000; or
- e. The applicant's equity in subject property as determined by subtracting all liens and/or judgments of record from county real market value. If a certified appraiser has appraised the property at a higher value within the past 120 days, 90% of this value may be used to calculate equity in the property.

***Staff Comments: Weatherization funds and YouthBuild labor are often able to offset project costs thereby reducing the loan amount needed for remaining repairs below \$10,000. In addition, many homeowners have very little equity in their homes primarily due to a declining real market value (RMV) over the last 5 years. The policy in 3.2.c does not allow loans to exceed the amount of equity in a home. Applicants can request a waiver from the CDC for the amount of equity and loan amount. Policy Direction: Is there interest in reducing the minimum loan amount (\$5,000-\$8,000?) or consider through a waiver request?***

- 3:3 Homeowner Participation: Eligible applicants who are licensed and bonded contractors may bid on their own project as a "Self-Help" option. The Rehab Loan will pay for materials and title fees only. The owner and members of the owner's household cannot receive any payment for their labor.

- 3:4 Eligible Improvements: A Home Rehabilitation Loan must be used to finance the cost of rehabilitation work deemed necessary by the Rehabilitation Construction Coordinator to bring the property into compliance with applicable codes, ordinances, and rehabilitation standards established by the program.
- a. HUD has established Minimum Rehabilitation Standards which every participating property should meet after rehabilitation. These standards relate to sanitation, space, security, weatherization, illumination and electrical systems, structure and materials, water supply, access and site conditions. In addition, all houses must be rehabilitated to the extent that they will be suitable for occupancy for at least 20 years after rehabilitation as provided in the approved application. All homes will be insulated and weatherized to UBC Code except in those instances where weatherization would require substantial alteration/repair of the structures.
  - b. Removal of architectural barriers to meet the special needs of elderly and handicapped persons will be considered an eligible improvement under this program.
  - c. Rehabilitation loan funds cannot be used to finance the cost of:
    1. New construction, expansion, addition or the finishing of unfinished spaces, such as attic or basement
    2. Materials, fixtures, or equipment of a type or quality which exceeds that customarily used in properties of the same general type or value as the property being rehabilitated, **excluding costs associated with products that have higher energy savings and/or are of sustainable or non-toxic materials as identified in the Healthy and Sustainable Home Policies in 3.5.**
    3. Any equipment that is not fixed and structurally integral to the residence such as washing machines, clothes dryers, freezers, and window mounted air conditioners are not eligible under the CDBG program. However, heating systems, hot water heaters and equipment that is considered an integral structural fixture (not removed from the home) such as light fixtures and built-in appliances are eligible under the CDBG program. Purchase, installation or repair of furnishings.
    4. The applicant's labor or the labor of a member of the applicant's family or household.
    5. Repair or rehabilitation of any manufactured home made before June 15, 1976.
- 3:5 Healthy and Sustainable Home Policies. All housing rehabilitation projects shall follow these guidelines:
- a. Community Services Consortium staff and contractors shall conduct an audit to evaluate opportunities to improve the energy efficiency and assess the health of the living environment. A prioritized list of cost effective energy efficiency improvements shall be made and items with a high cost benefit shall be implemented.
  - b. When homes are constructed before 1978, a lead hazard evaluation will be conducted on surfaces that are proposed to be disturbed or it will be assumed that lead is present. Interim controls or standard treatments must be done on all applicable painted surfaces and presumed lead-based paint hazards by a qualified contractor. Lead-safe pamphlets will be distributed and all contractors must be lead-certified and use lead-safe work practices.
  - c. Durability, toxicity and sustainability of materials shall be considered in all new materials. Non-toxic materials, materials that are beneficial to the environment and/or are made from renewable resources shall be used when reasonably feasible considering budget and location of the replacement materials.
    1. Paint – interior paint shall contain no volatile organic compounds (VOC) or be low-VOC.
    2. Flooring –wood, tile, natural fiber carpets (wall to wall carpet is not recommended for air quality), linoleum, cork, etc.

3. Building materials – vinyl, pvc, and other products made with toxic chemicals and through toxic processes and non-renewable resources shall only be limited in application
  - d. Plumbing fixtures shall be evaluated for useful life and water efficiency. Fixtures with a useful life of less than 5 years should be replaced with water efficient models – such as low-flow toilets, faucets and shower heads.
  - e. The use of heat on demand water-heaters and solar water heaters should be evaluated on a case by case basis.
  - f. Replacement appliances and fixtures shall be with energy star and energy efficient models.
  - g. Original materials shall be evaluated for repair and useful life after repair versus replacement.
  - h. When available, products shall be purchased from local or Oregon-based businesses.
- 3.6 Securing the Housing Rehabilitation Loan: The continuation of the Housing Rehabilitation Loan Program is dependent upon timely repayment of loans into the regional revolving loan funds. To that end, every rehabilitation loan will be secured by a recorded note and trust deed, and title insurance will be purchased.
- a. The City of Albany will be recorded as the owner and lender of all notes and trust deeds. All loan repayments and interest earnings will be received and reconveyed by Community Housing Services.
  - b. Recording fees, Title Report fees, the cost of the Title Insurance Policy, escrow and legal fees can be included in the loan. In the event that a loan is not approved, the applicant may be required to pay legal fees. Such legal fees are limited to assuring legal and proper title to the property.
  - c. During the term of the Housing Rehabilitation Loan, the applicant shall maintain homeowner's insurance covering, at minimum, the total indebtedness against the property including the rehabilitation loan. Property taxes shall also be kept current during the term of the loan.
  - d. Applicants will be notified in writing of his or her eligibility for a loan within 30 days of receipt of a completed application. If an eligibility determination cannot be made within 30 days, the applicant will be notified in writing of the reason(s) for the delay and the approximate time needed to make the determination.
  - e. All verification documentation, including consent(s) from holder(s) of prior financing, credit reports and verification of any information contained in the application, must be submitted within 60 days of the applicants signing of the application. If the required documentation is not received within 60 days of signing of the application, the next eligible applicant may be considered for a loan.
  - f. A minimum of (2) acceptable bids must be submitted within 60 days of receipt of the applicant's "Bid Form". It is the responsibility of the applicant to obtain bids from contractors who are eligible to work under the program. If an acceptable bid is not submitted within the 60-day period, the next eligible applicant will be considered for a loan. If only one (1) acceptable bid is submitted within the 60-day period and the applicant has made a good faith effort to obtain bids, the Rehabilitation Construction Coordinator may make the determination that it is reasonable for the applicant to accept the bid.
  - g. All applicants requiring financing over the maximum loan amount allowed under this program for the rehabilitation of their dwelling, must provide evidence of a firm commitment from the source(s) of outside financing within 60 days of signing the application for the Housing Rehabilitation Loan Program. One (1) thirty-day extension may be approved by the CDBG Program Director.
- 3:7 The Construction Contract: The parties to the contract will be the property owner and the contractor, not Community Housing Services or the City of Albany. Community Housing Services shall act as escrow agent for funds loaned through a Housing Rehabilitation Loan, and will disburse such funds to the borrower and the contractor in the manner set forth between the borrower and the contractor, to insure the proper distribution of such funds.

- a. Contractors interested in participating in this program shall first provide credit references and evidence of State registration, liability insurance coverage and, where applicable, Workman's Compensation coverage.
- b. The choice of contractors is at the homeowner's discretion, provided the contractor meets the requirements of policy 3:6(a, and that they are within 10% of the lowest bid. In accordance with the Affirmative Action Plan contained in Section 3 of the Construction Contract, the Grantee wishes to encourage that, to the greatest extent feasible, work to be done under this program will be done by local and/or minority-owned or women-owned contractors and businesses.
- c. Contracted work will be completed within 90 days from date of Notice to Proceed. Time extensions may be granted, in accordance with the Construction Contract.
- d. Before final payment is authorized:
  1. All contract work must be completed.
  2. Work must pass review of the Rehabilitation Construction Coordinator and the City of Albany Building Division.
  3. The borrower must sign the Owner's Certification and Acceptance of improvements.
  4. The contractor must sign the Contractor's Warranty and Lien Waiver stating that full payment has been made to all contractors and subcontractors and waiving any lien rights.
- e. The City of Albany contracts with CSC to provide fiscal and administrative services of this grant program. The City of Albany retains all rights and responsibilities for oversight and management of the CDBG funds. Control of all funds including management of the bank accounts and all disbursements is done through the oversight of Community Housing Services' Treasurer.
- f. Owner Repairs. CDBG funds cannot fund Rehabilitation work done by the homeowner. ~~However de-federalized funds may be used for this purpose with Community Development Commission approval. If Commission approval is given then the Rehabilitation work done by the homeowner (self help) must be completed within 120 days from the date of the notice to proceed. Time extension may be granted in accordance with the Self Help Construction Contract. Project 'milestones' will be established through consultation between the Housing Rehabilitation Construction Coordinator and the homeowner. In the event that the homeowner cannot complete the project milestones by the due date, Community Housing Services reserves the right to withhold further payments to the homeowner and/or hire a contractor to complete the work.~~
- g. Contractors working on homes constructed prior to 1978 must be certified in Lead Safe Work Practices when it is determined that there may be lead risk present in the structure

3:8 Alternative Assistance Requirements: It is not the intent of this program to duplicate services otherwise available in the target areas, but rather to complement them.

- a. Whenever possible, funds from other programs will be used to supplement Rehabilitation Loan funds.
- b. Applicants who prove to be ineligible for the program will, whenever possible, be referred to a program which matches their circumstances or needs.

#### SECTION 4: POLICY CHANGES AND APPEALS

These policies are intended as a guide and a safeguard to the interests of all parties involved in the Rehabilitation Loan transaction. It must be remembered, however, that the achievement of the Rehabilitation Program goals is of prime concern.

4:1 Policy Exceptions: In a situation where an exception to a policy or policies would be justified, reasonable and appropriate, staff will present the matter to the Community Development Commission for review. The **Commission** will consider the request and decide to approve or deny the request. **The Commission may**

**consider and vote on the application by email.** Any such policy exception approved by the Commission shall be applicable to the particular case in question only, and must comply with applicable HUD regulations. *Policy Direction: Due to tight timelines, would the CDC consider evaluating policy waiver requests by email and/or through a subcommittee?*

- 4:2 Policy Changes: If a particular policy contained herein is found to be inadequate, unworkable, or inappropriate; or if significant citizen complaints are received, the policy may be changed by the Community Development Commission provided the change complies with applicable HUD regulations.
- 4:3 Property Owner/Contractor Disputes: In the event of a conflict between the homeowner and the contractor, the following procedure will be followed:

Prior to work beginning, both the home or building owner and the contractor will have a clear and precise understanding of the work to be done. There may be times, however, when the understanding of the two parties may be quite different. In this event, the Rehabilitation Construction Coordinator will immediately attempt to mediate the problem. If the Rehabilitation Construction Coordinator is not able to mediate the problem to the mutual satisfaction of the homeowner and the contractor, then the Program Director will review the case. The Program Director, after consultation with City of Albany staff, and if necessary, the Community Development Commission, will issue a ruling within 30 days after receipt of a written request for a review. The request for the review may be submitted by the homeowner or contractor. This ruling concludes the administrative review.

## SECTION 5: PROGRAM INCOME

Program Income is governed by HUD's Federal CDBG regulations. These policies are intended to address those requirements.

- 5.1 Program income shall be managed in accordance with Title I of the Federal Housing and Community Development Act of 1984, as amended. This includes requirements for eligible costs, compliance with national objectives, environmental review, labor standards, procurement, equal employment opportunity, fair housing standards, nondiscrimination, relocation, and real property acquisition. Community Housing Services shall seek guidance from the City of Albany in complying with these requirements. The City is responsible for monitoring the use of program income earned from Albany Community Development Block Grant activities.
- 5.2 Program income earned as a result of the Housing Rehabilitation program (**loan repayments**) will be governed by the Subrecipient Agreement and will be used to continue housing rehabilitation activities for low- and moderate- income homeowners or renters, such as, but not limited to, deferred and/or no-interest loans.



## City of Albany Community Development Block Grant Program Microenterprise and New Business Small Grants

The City of Albany's New Business and Microenterprise Small Grant Program provides grants between \$2,500 and \$5,000 to eligible new businesses and microenterprises (businesses with 5 or fewer employees) located within the city for the purpose of creating jobs for low-income Albany residents. This program is funded with a federal Community Development Block Grant (CDBG) from the Department of Housing and Urban Development (HUD).

### Applicant Eligibility

1. The applicant must be the business owner or entrepreneur.
2. The business may be for-profit or non-profit.
3. The business must be physically located within Albany's city limits.
4. The business must have started within the last year, or launch within six months, or be a microenterprise.
5. Grant applicants must:
  - a. Be a graduate of a microenterprise course or training program within 24 months from the date of submitting an application; or
  - b. Be a graduate of a small business development course or training program within 24 months from the date of submitting an application; or
  - c. Completed a minimum of one advising session with the LBCC Small Business Development Center to review the business plan and financial pro-forma for the first year.
6. The applicant must have a pre-application advising session with the LBCC Small Business Development Center staff prior to submitting the application to evaluate the business plan and application.

Ineligible Businesses. The following types of businesses are not eligible for this grant program: adult entertainment; gaming, liquor or tobacco stores; marijuana dispensaries; passive real estate investments; and pyramid business structures.

### Eligible Use of Grant Funds

Qualifying businesses can use the funds for:

- Start-up expenses such as operating overhead, certifications, licenses, advertising
- Rent, utilities, insurance
- Equipment purchases

Funds cannot be used for the following:

- Business operating deficits or to refinance existing debt
- Personal income
- Emergency situations
- Pre-start up research and development
- Speculative property purchases (real estate, stock, collectibles)
- Payment of tax arrearages, governmental fines or penalties or general government expenses
- Political or religious activities and all other activities prohibited in the CDBG regulations in 24 CFR 570

### Application Content and Process

1. Pre-application business advising session with LBCC Small Business Development Center advisors.
2. Submit application with business plan and required attachments to the City of Albany, Community Development Department.
3. City staff reviews for completeness.
4. The Albany Community Development Commission will review applications and make funding awards. The Commission meets the third Monday of most months.

5. Sign contracts and certifications with City staff.
6. Submit necessary reports and performance measure verification.

### **Application Evaluation Criteria**

The following criteria will be used to evaluate grant applications:

- Business plan – there is a market for the products and services and the business plan demonstrates this (20)
- Financial Feasibility/ State of Funding – amount and sources of matching and leveraged funds committed, financial pro forma, first year financial projections, etc. (20)
- Ability to meet CDBG National Objective to create or retain one or more jobs for low- and moderate-income residents (20)
- Project costs are reasonable (20)
- Supporting documentation – resumes, business plan, financial projections, proof of business/ownership structure, required licenses, income verification as necessary (20)
- Additional consideration will be given to businesses that: create more than one LMI job, are located within the Central Albany Revitalization Area; restore integrity to a building on the local inventory; and/or that create opportunities for minorities, single-parents, felons, or to residents recovering from substance abuse. (10-30)

### **Grant Requirements**

Grant recipients must satisfy the following requirements:

1. HUD National Objective Performance Outcomes: The business must create at least one full-time equivalent job held by or made available to low- to moderate-income Albany residents or unemployed residents and may include the owner's job. If more than one job is created or retained, then at least 51 percent of the jobs created or retained must be held by or made available to low- to moderate-income people. For the purpose of this program, low-income people are defined as those at 80 percent or less of area median income, as determined by the federal Department of Housing and Urban Development (HUD). Income documentation on household size and income will be required.
2. Reporting. Due to CDBG and HUD requirements, the City must collect and report on economic indicators and demographics of persons served. The City will require monthly, quarterly and annual reports for at least one year or until the performance measure is achieved, whichever is later. (24 CFR 570.502 and 570.601, 24 CFR 84.21)
3. Environmental Review: All projects are subject to federally required environmental and historic reviews by the City of Albany. These vary in scope, depending on the scale of the project. (24 CFR 570.603)
4. Equal Opportunity: Projects are subject to provisions of the Americans with Disabilities Act. Grant recipients must give equal consideration to all qualified job applicants without regard to race, color, religion, sex, or national origin.
5. Prevailing Wages: Use of program funds for the payment of construction, rehabilitation or installation will require the contractor to meet all federal labor laws including paying the higher of either state or federal prevailing wages. (24 CFR 570.603)
6. Applicants must comply with all state and local laws and regulations pertaining to licensing, permits, and building and zoning code requirements.

**FOR MORE INFORMATION** about Albany's New Business CDBG Grant Program, please contact:

City of Albany  
Community Development Department  
P.O. Box 490; Albany, OR 97321-0144  
ATTN: Anne Catlin  
[anne.catlin@cityofalbany.net](mailto:anne.catlin@cityofalbany.net); (541) 917-7560



City of Albany  
Community Development Block Grant Program  
New Business and Microenterprise  
Small Grant Application

Albany Community Development Dept.  
P.O. Box 490  
Albany, OR 97321-0144  
(541) 917-7550  
anne.catlin@cityofalbany.net  
www.cityofalbany.net/cdbg

The goal of this grant program is to create jobs for Albany residents by supporting Albany businesses. The objective is to offset start-up costs for new businesses and microenterprises located in Albany that add jobs.

1. APPLICANT CONTACT INFORMATION

DATE: \_\_\_\_\_

Business owner names: Oscar and Tamalynne Hult

Mailing address: 425 1<sup>st</sup> Avenue West, Albany, Oregon 97321

E-mail address: TheNattyDresser@gmail.com Phone: 541-248-3561

2. BUSINESS INFORMATION

Business name: The Natty Dresser LLC

Business address (location): 425 1<sup>st</sup> Avenue West, Albany, Oregon 97321

Business phone: 541-248-3561 Website: www.TheNattyDresser.com

Business License #: NA Business Start Date: January 22, 2014

Type of Business (circle applicable): Start-up AND/OR Microenterprise

Organizational Structure:  LLC  S Corp.  Sole Proprietorship  Corporation

Not Yet Established  Other: \_\_\_\_\_

Business' EIN (or if Sole Proprietorship only, provide the primary owner's SSN): 46-4630226

D-U-N-S # (if obtained): NA. [Required for all federally funded projects. Obtaining a DUNS number is a free, simple, one-time activity. Obtain one by calling 1-866-705-5711 or by applying online at http://www.dunandbradstreet.com.]

Current Number of Employees (including working owners): Full Time 2 Part Time 1

3. ELIGIBILITY REQUIREMENTS

In order to be eligible for this grant program you must have:

- Graduated from a microenterprise or a small business development course or training program within 24 months of the application date: March 18, 2014 ; OR
- Attended at least one advising session with the LBCC Small Business Development Center to review the business plan and financial pro-forma. Advising session date: January 16, 2014 ; AND
- Held a pre-application advising session with the LBCC Small Business Development Center staff regarding the business and grant application. Advising Date: \_\_\_\_\_.

Does any business owner have any personal/business judgments, unsettled lawsuits, major disputes, or tax liens against you/them or pending against you/them?  No  Yes *If YES, please describe:*

Has the business, or any principles of the business, been involved in bankruptcy or insolvency proceedings?  No  Yes *If YES, please describe:*

Are there any delinquent taxes (local, state, federal, etc.) or payments owed to municipal utilities (sewer, water) by the applicant business and/or any of its owners?  No  Yes *If YES, please describe:*

Are you currently compliant with all applicable local, state, and federal zoning, permits, and other regulations regarding the operation of your business?  Yes  No *If NO, please describe:*

**4. PROJECT AND FINANCING INFORMATION**

a. Please explain how the grant funds will be use and the importance of this grant to the completing of the project:

We plan to use this money to pay 5 months of rent, freeing up capital to put back into inventory. Without this grant it will take us much longer to build our inventory.

b. Anticipated Project Start Date: October 2014 Project Completion Date: February 2015

c. Anticipated # new full-time Jobs Created (or equivalent): 0.5 Hire Dates: October, 2015  
 Explain part-time employee calculations, if applicable: We expect needing a part-time sale person for the 2015 holiday season and hopefully through all of 2016 and beyond.

d. Total project cost (or start-up costs): \$5,000.00. Attach itemized budget. Include quotes/estimates for expenses to be paid with grant amount if necessary. Explain costs if necessary.

e. Total of other grant or loans received for project: \$10,000.00 CARA Grant  
 Describe use/purpose of other grant or loans: The CARA Grant is dedicated to use on the store façade, we will probably not be able to use the entire amount, unless the work comes in higher than expected, as the total exterior will be under \$20,000

f. All Other Funding Sources (including personal funds): \$119,997.00

g. Percent match to this project excluding other grants: 23.99 (amount in f/amount in d)  
**CDBG GRANT REQUEST: \$5,000** (The minimum is \$2,500 and maximum grant award is \$5,000.)

Please check all applicable boxes regarding the business; the business will:

create more than one LMI job

be located within the Central Albany Revitalization Area;

 restore integrity to a building on the local inventory;

 create opportunities for minorities, single-parents, felons, or recovering addicts

## 5. BUSINESS PLAN INFORMATION

Please answer the questions below. This summary business plan data will greatly influence whether your business will be eligible for this program. Please attach your business plan (or draft plan).

- a. Briefly describe your business, including its primary business activities.

The Natty Dresser is a full service menswear shop. There has not been a shop like this in Albany since the closure of Phil Small's in about 1989.

- b. What products or services will you sell? What is the demand for your products/ services? Please cite sources.

We sell quality men's clothing and accessories from casual to business attire as well as formal wear.

The men of Albany have been traveling to Salem or Portland in order to find the clothing they want.

- c. List your competition and what differentiates you.

Our only competition in the area is Melhauf's in Corvallis. However there is plenty of business in the mid-valley for a second store. We will be carrying very few of the same brands as Mr. Melhauf's and see our stores as complimenting each other. For example Melhauf's carries a lot of Beaver gear (being in Downtown Corvallis) and we don't see the need to carry that here.

- d. Who is your target market and what is your marketing strategy?

The men of the Albany area between the ages of 30 and 65, as well as the women who care for them.

We are using a lot of social media, as well as radio and print ads to get the word out. We will also offer tux rentals for weddings and proms, and will be reaching out to the men of Eugene, as there is no menswear shop there either.

- e. Where will your place of business be and why is this a good location for your business?

We are located at the West end of First avenue (in the area designated in the recent Retail Refinement Study as the key retail area) across the street from the established women's boutique Emma Downtown, and just a couple of doors down from the Chamber of Commerce, Sybaris Bistro, and the Carousel project. All of these places are frequented by the same customers that we are looking to bring into the shop.

- f. List your qualifications and experience with this product or service, and/or business experience in general or attach resumes.

Tamalynne has worked for Emma Downtown for the past 5 years and her relationship with the owners has been a great benefit to our business. Oscar worked at Sears (way back when it was still Downtown) doing store displays, maintenance and customer carry outs. He also worked for 5 years at the Costume Loft as the manager of the retail floor, maintaining inventories of all of the add-on sales items like make-up, hats, wigs, and costume jewelry. He also worked with customers to find or create the costumes they needed for various events, productions and private parties.

- g. Please list any business affiliations, organizations you belong to, courses or programs you participate in that you feel contribute to the probability of your business success.

We are well known in Downtown Albany and have joined the Albany Downtown Association, the Chamber of commerce. We also work with the Civic Theater, and are helping with the Corvallis Clinic's "Putting on the Pink" fashion show this October.

- h. What are your goals for your business this year and how do they fit with your long-term business goals?

We hope to be profitable enough in the next year to be able to hire a part-time employee before the 2015 Christmas season. We also hope to have or Part-time alterations person busy!

#### 6. MEETING HUD NATIONAL OBJECTIVE FOR JOBS

The purpose of the Community Development Block Grant (CDBG) Program is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. All projects must meet a national objective. **The Department of Housing and Urban Development (HUD) national objective for this program is LMI Jobs - the number of jobs created that are held by or made available to low and moderate-income (LMI) Albany residents.**

The business must create **at least one full-time job** to be held by or made available to\* a low- to moderate-income Albany residents or formerly unemployed residents and may include the business owner's job. If more than one job is created or retained, then at least 51 percent of the jobs must be held by or made available to\* low- to moderate-income residents, defined by HUD as residents earning less than 80% of the area median income by household size. (See current income guidelines in Attachment A.)

\*Jobs are considered to be "*made available to*" LMI persons only when the job does not require special skills that can only be acquired with substantial (i.e., one year or more) training or work experience or education beyond a high school education.

Please select one of the following:

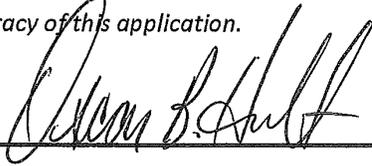
- I am eligible for this program because I meet the threshold for Low-Moderate Income (LMI) status per the current HUD income limits for the county in which I reside; or
- I will create at least one job to be held by or available to LMI persons within 12 months of the grant contract date.

#### 7. SUPPORTING DOCUMENTATION TO SUBMIT WITH APPLICATION

- a. Business Plan
- b. Business License or articles of incorporation
- c. Documentation of costs or expenses to be paid with the CDBG grant (such as leases, utilities, quotes/estimates, etc.)
- d. 2014 LMI Job Creation Form (attached) for each business owner. Note: Verification of household income will be required if awarded the grant (including pay-stubs, W-2s, etc., federal income tax return for each owner of the business)
- e. Most recent federal income tax return for the business (if applicable and if business files separately); and

8. ASSURANCES AND SIGNATURES

*I understand and by signing agree: that all information I have provided in this application is true and correct to the best of my knowledge. I agree to notify you promptly in writing upon any material change in the information provided herein, and further acknowledge that you will continue to regard this statement as true and complete until your receipt of such written notification. You are authorized to make such inquiries, as you deem necessary and appropriate to verify the accuracy of this application.*



9/8/2014

---

Applicant's signature

Date

Our rent for the space is \$1,000 per month. We will use the grant to pay 5 months worth of rent.

The payment will be made in one lump sum to the Masonic Building Association.

October Rent: \$1,000.00  
November Rent: \$1,000.00  
December Rent: \$1,000.00  
January Rent: \$1,000.00  
February Rent: \$1,000.00

Total: \$5,000

Oscar Hult  
Owner, The Natty Dresser LLC

COPY

NABE

THIS INDENTURE OF LEASE, entered into this 4th day of March 2014 ~~1994~~,  
 between MASONIC BUILDING ASSOCIATION, AN Oregon business corporation  
 hereinafter called the lessor, and ~~Oscar D. Holt~~ The Natty Dresser LLC. ~~902/884~~,  
 hereinafter called the lessee,

WITNESSETH: In consideration of the covenants herein, the lessor hereby leases unto the lessee those  
 certain premises, as is, situated in the City of Albany, County of Linn and State  
 of Oregon, hereinafter called the premises, described as follows:

The first floor of real property located at 425 First Avenue W, Albany, Oregon.

To Have and to Hold the premises commencing with the 1st day of March, 2014, ~~19x~~,  
 and ending at midnight on the 31st day of August, 2017, ~~19x~~, for a rental of \$ See below  
 for the whole term, which lessee agrees to pay, at P.O. Box 394  
 City of Albany, State of Oregon, at the following times and in the following amounts, to-wit:

- March 1, 2014 to August 31, 2014- \$ 2000.00 to get in and start work
- \$ 1000.00 per month Starting September 1, 2014
- \$ 1500.00 per month Starting September 1, 2015
- \$ 1800.00 per month Starting September 1, 2016

In consideration of the leasing of the premises and of the mutual agreements herein contained, the parties  
 agree as follows:



# **1. EXECUTIVE SUMMARY**

## **1.1 Product**

The Natty Dresser will be a contemporary full service menswear shop selling as we like to say, "hats to shoes and everything in between". We have secured lines that include everything from casual denim and organic cotton to business suits and tuxedos.

We also have a few great services that we will be able to offer our customers;

Free Hemming

Reasonably priced alterations

Custom Suits in 10 working days

Shoe shines at our vintage shoeshine stand

## **1.2 Customers**

Our target customers are men age 30 - 60, and their wives and girlfriends.

They make over \$50,000 a year and live within 50 miles of Downtown Albany.

These men are currently driving to Salem and Portland for their clothing needs and we plan to offer them a local resource at which they can find quality merchandise with great service and competitive pricing.

## **1.3 What Drives Us**

Our first goal is to be open by September 2014.

We believe, and research bears out, that the men's clothing market is a growth industry and as the only menswear store in Albany, we plan to reap the benefit of that trend, while providing a valuable service to the men of the area.

## **2. COMPANY DESCRIPTION**

### **2.1 Mission Statement**

The mission of The Natty Dresser LLC is to provide the men of the greater Albany, Oregon area, a place to find quality menswear and accessories that will allow them to dress well, be confident and find success.

### **2.2 Principal Members**

The Natty Dresser LLC is owned and operated by Oscar and Tamalynne Hult.

Oscar will run the business on a day-to-day basis, including inventory, ordering, assisting customers and marketing the business. Tamalynne will assist with the bookkeeping and alterations. She will also help out on the sales floor as needed.

### **2.3 Legal Structure**

The Natty Dresser is a Limited Liability Company (LLC) registered with the State of Oregon.

We have also received our EIN from the IRS.

## 3. MARKET RESEARCH

### 3.1 Industry

“Retailers are rejoicing that the male shopper is back.” With the increasing job outlook and economic growth in the U.S, men are starting to care more about their appearance. Apparel is usually the first purchase for men looking to better themselves.”<sup>1</sup>

Ibisworld estimates revenue for the Men's Clothing Stores industry to increase at an annualized rate of 3.1% through 2018, reaching \$10.9 billion. In 2014, revenue is expected to increase by 3.2%<sup>2</sup> to \$9.6 billion.

### 3.2 Customers

Over the next four years, a large portion of the baby boomer generation (born between 1946-1964, which accounts for 38% of industry revenue) will retire, limiting demand for men's attire from this market segment.<sup>2</sup> Much of the workforce will likely be part of Generation X (born between 1965-1983). Meanwhile, a majority of Generation Y (born between 1984-2002) will enter the workforce for the first time, largely offsetting the retirement rate. These demographic trends will change men's clothing stores' major markets: demand from baby boomers will wane, while Gen X and Y market segments will grow in purchasing power and as a percentage of total revenue.

The demographic shift may also lead to a slight alteration of the product mix this industry offers. Although many white-collar jobs currently require business-formal or business-casual attire for the office, Ibisworld projects this trend will change in the latter half of the four-year period. Many Gen Y career fields will continue to alter their dress codes to reflect a more casual work environment, causing the casual attire product segment of this industry to expand as a share of revenue.

<sup>1</sup> Source: *Ibisworld.com*

<sup>2</sup> Source: *IBID*

## **4. PRODUCT/SERVICE LINE**

### **4.1 Products and Services**

#### **Services:**

- Custom made suits in 10 working days
- Alterations to clothing purchased including free hemming
- Shoeshine at our vintage shoeshine stand
- Customer wish list for birthdays and special events
- Special orders on big & tall and special fashion items
- Tuxedo and suit rentals

#### **Products:**

- Dorfman Pacific and Christie's of London hats
- Ecoths organic cotton and Pendleton Woolens casual clothing
- Lord Daniel and Nautica sportswear
- Randolph Engineering sunglasses
- ENRO and Damon dress shirts
- R. Haunaur ties and pocket squares
- S. Cohen, Hardwick and Baroni suits
- Post & Price Trousers
- Pantherella socks
- Bostonian and Clark USA shoes

### **4.2 Pricing Structure**

All of our product pricing will be at or below MSRP

## **5. MARKETING & SALES**

### **5.1 Growth Strategy**

We plan to grow our company through great customer service as well as:

- On line presence including Facebook and our company website
- Radio advertising prior to special in-store events
- Great window displays
- Targeted advertising in area publications
- Networking opportunities at chamber and Downtown Association functions

### **5.2 Communication**

The Natty Dresser will communicate with its customers by:

- Providing an e-mail newsletter with fashion news, product information, and service offers.
- Using targeted Google and Facebook advertisements.
- Utilizing social media such as Facebook, LinkedIn and Pintrest.
- Providing contact information on the company website.
- Adding labels on our bags and boxes that include company name, contact info and web address.

### **5.3 Prospects**

The Natty Dresser owners, Oscar and Tamalynne Hult will start out doing all of the jobs needed in the running of the business.

As profits increase, we look to add employees to assist with in store sales and marketing. We will increase awareness to our targeted customers through online advertising and sending out postcards to local professionals.

	Aug-14	1st sept	oct	nov	dec	Jan-15	feb	march	april	may	June	July	aug	Annual
	Pre Startup													
Cash On Hand	\$14,521	\$14,521	\$19,972	\$21,543	\$29,324	\$37,005	\$39,926	\$43,107	\$48,288	\$53,769	\$59,250	\$64,731	\$70,212	\$145,000
Cash Injection	\$60,000	\$12,000	\$11,000	\$14,000	\$16,000	\$10,000	\$10,000	\$12,000	\$12,000	\$13,000	\$12,000	\$12,000	\$11,000	\$145,000
Cash Sales														
Accounts Receivable	\$30,000	\$12,000	\$11,000	\$14,000	\$16,000	\$10,000	\$10,000	\$12,000	\$12,000	\$13,000	\$12,000	\$12,000	\$11,000	\$145,000
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Receipts	\$90,000	\$26,521	\$30,972	\$35,543	\$45,324	\$47,005	\$49,926	\$55,107	\$60,288	\$66,769	\$72,250	\$77,731	\$83,212	\$192,000
Total Cash Available	\$104,521	\$41,042	\$42,944	\$47,086	\$51,348	\$54,010	\$56,832	\$60,214	\$64,576	\$69,769	\$74,962	\$80,154	\$85,346	\$237,000
Cash Paid Out	\$30,000	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Inventory		\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$66,000
Gross Wages/Salaries		\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Payroll Expenses/Taxes		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Biz name & web domain		\$250												\$250
Repairs/Maintenance		\$300	\$500		\$900		\$300				\$300			\$500
Advertising		\$150	\$1,500					\$300						\$2,300
Travel to trade shows		\$500	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,950
Accounting and Legal		\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$14,000
Rent		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,500
Telephone/Utilities		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Insurance		\$849	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$879
Supplies		\$300	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$360
Subscriptions Music & News		\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$540
Postage & Delivery		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Credit card		\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$1,320
Other Expenses		\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
Dues (ADA/Chamber)		\$5,949	\$8,029	\$4,819	\$5,919	\$4,479	\$4,219	\$34,219	\$3,919	\$3,919	\$4,219	\$3,919	\$3,919	\$122,977
Subtotal		\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
Loan Principal Payment		\$20,030												\$20,030
Capital Purchases		\$20,000												\$20,000
Leasehold Improv.														\$20,000
Other Start-Up Cost		\$800												\$800
Owner's Withdrawal		\$75,479	\$6,549	\$9,429	\$6,219	\$8,319	\$7,079	\$6,819	\$36,819	\$6,519	\$6,819	\$6,519	\$6,519	\$189,607
Total Cash Paid Out		\$14,521	\$19,972	\$21,543	\$29,324	\$37,005	\$39,926	\$43,107	\$48,288	\$53,769	\$59,250	\$64,731	\$70,212	\$189,607
Cash Position		\$70,000	\$21,070	\$21,401	\$17,762	\$14,343	\$14,846	\$17,139	\$16,576	\$17,769	\$18,762	\$19,154	\$19,546	\$147,393

# Oregon

Date of Notice: 5/06/14

## DEPARTMENT OF REVENUE

955 Center Street NE  
Salem OR 97301-2555



75084811  
THE NATTY DRESSER LLC  
DBA: THE NATTY DRESSER  
425 1ST AVE W  
ALBANY OR 97321

### Notice of Registration

Oregon Business Identification Number (BIN): 1605223-6

Congratulations on your new business. We have processed your Combined Employers Registration. Your business has been assigned the Business Identification Number (BIN) listed above. Please refer to this number when you communicate with the Department of Revenue.

You will receive Oregon payroll payment coupons within 10 days. If you are required to make a payment before receiving your coupons, include your BIN, tax program, tax year, and quarter for which you are paying on a separate sheet of paper.

The following is information for your business:

- All state withholding payments are due the same day your federal payments are due.
- Payments can be made using the department's Electronic Funds Transfer (EFT). If you are federally mandated to pay electronically, you must also pay Oregon electronically.
- Oregon Department of Revenue administers two transit districts excise tax programs. Transit payroll tax is imposed on most employers who pay wages for services performed in the Tri-Met or Lane Transit districts (LTD).
  - Tri-Met serves the Portland Metropolitan area, which includes parts of Multnomah, Washington, and Clackamas counties.
  - LTD serves the entire Eugene-Springfield urban area as well as several rural areas.
  - The current transit tax rate is located in the Oregon Combined Payroll Tax Reports booklet, on the web site at [www.oregon.gov/dor](http://www.oregon.gov/dor) or by calling 503-945-8091.
- Information is available on the Internet at [www.oregon.gov/dor](http://www.oregon.gov/dor)

If you have any questions, please call the number below.

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free from an Oregon prefix).

## SP-45 Goals Summary

## Goals Summary Information

Table 55 – Goals Summary

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Maintain and improve the quality of affordable housing; Expand affordable housing opportunities	2013	2017	Affordable Housing  Special Needs	Local Target Areas (census Tracts 204 and 208)	Rehabilitate affordable housing stock; Increase energy efficiency.	\$400,000	Homeowner Housing Rehabilitated: 20 Rental units rehabilitated: 20
Reduce the number of homeless people; Support goals of the Linn County Ten-Year Homeless Plan	2013	2017	Homeless Prevention	Citywide	Provide safe emergency shelter for homeless families and/or unaccompanied youth; Help homeless get into stable housing	\$160,000	Overnight/Emergency Shelter/Transitional Housing beds added: 20 Homelessness Prevention: 50 persons
Remove barriers to accessibility	2013	2017	Non-Housing Community Development	Local Target Areas	Curb Ramp improvements in LMI areas	\$222,000	Public infrastructure activities other than LMI housing benefit: 50 curb ramps
Eliminate blighting influences citywide, especially in LMI areas	2013	2017	Non-Housing Community Development	Local Target Areas	Park equipment replacement; Walking trail improvements	\$152,000	Public facility activities other than LMI housing benefit: repair 2 park facilities; 4,000 persons benefited
Increase economic opportunities	2013	2017	Non-Housing Community Development	Citywide	Microenterprise assistance; Job creation; Commercial rehabilitation	\$280,000	Businesses assisted: 150 Business building rehabilitation: 2 Jobs created/retained: 40

Table continues to next page.

**ATTACHMENT D**

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Provide services to special needs and low-income persons	2013	2017	Affordable Housing Homeless Special Needs Non-Housing Community Development	Citywide	Homelessness assistance; Help Low Income individuals; Help special needs populations	\$302,000	Public service activities other than low/moderate income housing benefit: 500 persons benefited
Affirmatively further fair housing	2013	2017	Fair Housing	Citywide	Fair Housing education, training, counseling	\$10,000	Public service activities for low/moderate income housing benefit: 100 persons

## SP-45 Goals Summary

## Goals Summary Information

Table 55 – Goals Summary

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Maintain and improve the quality of affordable housing; Expand affordable housing opportunities	2013	2017	Affordable Housing  Special Needs	Local Target Areas (census Tracts 204 and 208)	Rehabilitate affordable housing stock; Increase energy efficiency.	\$400,000	Homeowner Housing Rehabilitated: 20 Rental units rehabilitated: 20
Reduce the number of homeless people; Support goals of the Linn County Ten-Year Homeless Plan	2013	2017	Homeless Prevention	Citywide	Provide safe emergency shelter for homeless families and/or unaccompanied youth; Help homeless get into stable housing	\$160,000	Overnight/Emergency Shelter/Transitional Housing beds added: 20 Homelessness Prevention: 50 persons
Remove barriers to accessibility	2013	2017	Non-Housing Community Development	Local Target Areas	Curb Ramp improvements in LMI areas	\$222,000	Public infrastructure activities other than LMI housing benefit: 50 curb ramps
Eliminate blighting influences citywide, especially in LMI areas	2013	2017	Non-Housing Community Development	Local Target Areas	Park equipment replacement; Walking trail improvements	\$152,000	Public facility activities other than LMI housing benefit: repair 2 park facilities; 4,000 persons benefited
Increase economic opportunities	2013	2017	Non-Housing Community Development	Citywide	Microenterprise assistance; Job creation; Commercial rehabilitation	\$280,000	Businesses assisted: 150 Business building rehabilitation: 2 Jobs created/retained: 40

Table continues to next page.

**ATTACHMENT D**

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Provide services to special needs and low-income persons	2013	2017	Affordable Housing Homeless Special Needs Non-Housing Community Development	Citywide	Homelessness assistance; Help Low Income individuals; Help special needs populations	\$302,000	Public service activities other than low/moderate income housing benefit: 500 persons benefited
Affirmatively further fair housing	2013	2017	Fair Housing	Citywide	Fair Housing education, training, counseling	\$10,000	Public service activities for low/moderate income housing benefit: 100 persons

## Determining Eligibility for Community Development Block Grant [CDBG] Programs

### Eligible Applicants

Applicants must be:

- 1) A governmental entity; or
- 2) A non-profit organization with 501(c) (3) tax-exempt status; or
- 3) A for-profit organization that holds state and City business licenses.
- 4) Applicants for the development of new affordable housing construction projects (including design/engineering costs) must meet the requirements of a Community-Based Development Organization [CBDO] (§570.204 (c) (1)).

### Eligible Projects/Activities

Proposed projects/activities must:

- 1) Occur within the City of Albany to serve Albany residents.
- 2) Address one or more of the three HUD national objectives (see pp 4-5)
- 3) Relate to one or more of the City of Albany's CDBG goals (Consolidated Plan pp 137-138);
- 4) Be eligible under the following HUD categories of eligible activities.

### HUD Eligible Activities

- **Public Facilities and Improvements**

For the acquisition, construction, reconstruction, rehabilitation or installation of public improvements or facilities (except for buildings for the general conduct of government). Includes all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a non-profit, and operated so as to be open to the general public.

- **Privately-Owned Utilities**

Acquire, construct, reconstruct, rehabilitate, or install the distribution lines and related facilities for privately-owned utilities. (A privately-owned utility may be defined as a publicly-regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.)

- **Microenterprise Assistance**

Facilitates economic development through the establishment, stabilization and expansion of microenterprises. This category authorizes the use of CDBG funds to provide financial assistance to an existing microenterprise or to assist in the establishment of a microenterprise. (Microenterprise: A business having 5 or fewer employees, one or more of who owns the business.)

- **Special Economic Development Activities**

Commercial or industrial improvements carried out by the City or a non-profit subrecipient, including acquisition, construction, rehabilitation, reconstruction, or installation of commercial or industrial buildings or structures and other related real property equipment and improvements. Assistance to private for-profit entities for an activity determined by the City to be appropriate to carry out an economic development project. This assistance may include, but is not limited to grants, loans, loan guarantees, interest supplements, technical assistance or any other form except for those described as political activities.

- **Public Services**

To provide public services (including labor, supplies, materials and other costs). The public service must be either a new service or a quantifiable increase in the level of a service. The amount of CDBG funds obligated in a program year to support public service activities may not exceed 15% of the total grant award.

- **Rehabilitation**

Includes property-residential, commercial/industrial, other; also assistance-costs, financing, refinancing, property acquisition, security devices, insurance, conservation, water and sewer, tools, barrier removal, landscaping, sidewalks, and driveways, renovation of closed buildings, historic preservation, lead-based paint hazard evaluation and reduction, rehabilitation services, business in a residence.

- **Homeownership Assistance**

May provide financial assistance to low and moderate income households to assist them in the purchase of a home.

- **Clearance**

Demolition of buildings and improvements; removal of demolition products (rubble) and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites.

- **Acquisition of Real Property**

To acquire real property in whole or in part by purchase, long-term lease (15 years or more), donation, or otherwise. CDBG funds may be used under this category by the city, another public agency, a public non-profit entity or a private non-profit entity to acquire property for a public purpose.

- **Disposition**

To pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program.

- **Relocation**

Relocation payments and assistance to displaced persons, including individuals, families, businesses, non-profit organizations, and farms when required by the Uniform Relocation and Assistance Act.

- **Loss of Rental Income**

Payments to housing owners for the loss of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG-assisted activities.

- **Code Enforcement**

Involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area.

- **Special Activities by CBDOs**

A Community-Based Development Organization (CBDO) may be designated by the City to carry out a range of activities the City may otherwise not carry out itself. The most frequent use of this provision has been to carry out new construction of housing. An organization must meet certain requirements to be designated a CBDO.

- **Construction of Housing**

CDBG funds may be used to construct permanent new housing ONLY if the project is implemented by an eligible Community-Based Development Organization under §570.204 (c) (1).

- **Planning and Capacity Building**

Funds may be used for studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans.

### **HUD Ineligible Activities**

The following are examples of activities that may not be assisted with CDBG funds:

- Buildings used for the general conduct of government. (Except removal of architectural barriers).
- General government expenses required to carry out the regular responsibilities of local government.
- Political activities.
- New construction of housing units, except as described above under Special Activities by CBDOs.
- Purchase of construction equipment, fire protection equipment, furnishings and personal property.
- Income payments (exception is emergency payments made over a period of up to three (3) consecutive months directly to the provider of such items or services as food, clothing, housing or utilities on behalf of an individual or family).

Eligibility considerations will be made on a project by project basis.

**NOTE: PROJECTS THAT CANNOT DEMONSTRATE THAT AT LEAST ONE OF THE THREE NATIONAL OBJECTIVES OF THE PROGRAM WILL BE MET WILL NOT BE CONSIDERED FOR FUNDING.**

### National Objectives

The purpose of the CDBG Program is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. All projects must meet at least one of the following national objectives:

**1. Projects Providing Primary Benefit to Low and Moderate Income Persons.** CDBG projects generally must benefit at least 51% low and moderate income persons. An area benefit project must be substantiated by census tract or other supporting data. Activities that benefit low and moderate income (LMI) persons are divided into four categories:

- a) **Area Benefit Activities** - An area benefit activity addresses the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all persons in the area regardless of income. Examples of potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities and park renovations. Area benefit can be determined based upon census tract data or a neighborhood survey.
- b) **Limited Clientele Activities** - A limited clientele activity benefits a specific group of people (rather than all the residents in a particular area), at least 51% of whom are LMI persons. To qualify under this category, the activity must meet one of the three (3) following tests:
- Benefit a clientele who are generally presumed to be principally LMI. The following groups are presumed by HUD to meet this criterion:
 

✓ Abused children	✓ Handicapped persons
✓ Elderly persons	✓ Illiterate persons
✓ Battered spouses	✓ Migrant farm workers
✓ Homeless persons	
  - Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limits.
  - Have income eligibility requirements, which limit the activity exclusively to LMI persons.

Some examples of limited clientele activities include construction of senior centers, public services for the homeless, meals on wheels, remedial reading for adults and provision of job training activities for the handicapped.

- c) **Housing Activities** - A housing activity adds or improves permanent, residential structures that will be occupied by LMI persons upon completion. The housing can be either owner or renter occupied. Rental units occupied by LMI persons must be at affordable rents based on established standards and at least 51% of the units must be occupied by LMI person.
- Residential rehabilitation
  - Housing construction
  - Acquisition of property or conversion of buildings for permanent housing
- d) **LMI Jobs** - An LMI jobs activity creates or retains permanent jobs, at least 51% of which are either taken by LMI persons or considered to be available to LMI persons.
- Jobs are considered to be "*available to*" LMI persons only when special skills that can only be acquired with substantial (i.e., one year or more) training or work experience or education beyond high school are not a prerequisite to fill such job.

- 2. Projects Which Aid in the Prevention or Elimination of Slums and Blight.** An activity will be considered to address prevention or elimination of slums and blight in an area if:
- a) The deteriorated area meets the definition of slums, blight, or deteriorated or deteriorating area and is formally designated a slum or blighted area in accordance with State Law (urban renewal district), and
  - b) It is in an area with a substantial number of deteriorated buildings or improvements, and
  - c) It is in an area designated by the local government as in need of physical improvements due to blighted effects, with clearly delineated boundaries, and
  - d) It addresses at least one or more of the conditions which contributed to the deterioration.
- 3. Projects Which Address An Urgent Community Development Need.** Major catastrophes or emergencies such as floods or earthquakes are examples of urgent needs.