



City of Albany Community Development Block Grant Programs Small Business Grants for Job Creation

The City of Albany's Small Grant Program provides grants between \$2,500 and \$8,000 to eligible small businesses (businesses with 10 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 ten or fewer employees, including the owner.
5. The business must have been established within the last five years or be ready to start within six months.
6. 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-formas. (The pre-application advising session described in 7 can satisfy this requirement.)
7. 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

The following expenses are eligible for the grant:

- Start-up expenses such as certifications, licenses, advertising, incorporation, etc.
- Rent, utilities, business or property insurance
- Training, technical assistance, business services (web site development, etc.), to increase the capacity of recipients to carryout micro-enterprise activities
- Child care and transportation expenses (to enable employees to work)
- Capital purchases (must be depreciable)

Funds cannot be used for the following:

- Equipment or vehicle purchases or materials and supplies
- Pay 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. Schedule/attend a pre-application business advising session with one of LBCC's Small Business Development Center advisors.
2. Submit application with business plan and required attachments to the City of Albany, Community Development Department. [The application is available online here: www.cityofalbany.net/cdbg.]
3. City staff will review the application for completeness.
4. The Albany Community Development Commission will review applications and make funding awards. The Commission meets the third Monday of most months. Applications need to be submitted by the 1st of the month in order to get on the month's agenda; otherwise it will be scheduled the following month.
5. If the grant is approved, City staff will prepare contracts for signature.
6. Submit necessary reports and performance measure verification and requests for reimbursement as specified in the contract.

Application Evaluation Criteria

The following criteria will be used to evaluate grant applications:

1. Business plan – there is a demonstrated market for the products or services.
2. Financial Feasibility/ State of Funding – at least one year financial projections or start-up cash flow projections for the first year were provided; amount and sources of matching and leveraged funds committed, financial pro forma, etc.
3. Business plan is feasible and grant-funded expenses are reasonable.
4. Supporting documentation is provided – resumes, financial projections, proof of business/ownership structure, required licenses; income verification as necessary.
5. The applicant will meet the CDBG National Objective to create or retain one or more jobs for low- and moderate-income residents.
6. Additional consideration will be given to businesses that: create more than one LMI job, are located within the Central Albany Revitalization Area, and/or that create opportunities for minorities, single-parents, felons, or to residents recovering from substance abuse.

Grant Requirements

Grant recipients must satisfy the following requirements:

1. HUD National Objective Performance Outcomes: The business must create **at least one full-time job** or equivalent equal to at least 40 hours a week. The job shall 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 the business is a microenterprise (5 or fewer employees). HUD defines low- and moderate-income (LMI) residents as those earning less than 80% of the area median income by household size. Each new employee will be required to complete the **Job Creation Employee Self Certification Form**. Income documentation by household size will be required. You will be required to submit the **Job Creation Report** that summarizes information about your new employees, **including the job title**.

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* LMI residents.

To qualify a job as "Low-Mod" the job needs to meet one of the following:

1. *Jobs are considered to be **made available to** LMI persons 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. The City of Albany and the assisted business take actions to ensure that LMI residents receive first consideration for filling such jobs;
OR
2. Created or retained jobs are only considered to be **held by** LMI persons when the job is actually held by a LMI person. In determining whether a job is made available to or held by a LMI person, grantees

may presume that a person is LMI if:

- He/she resides in a Census tract that meets certain requirements (see below); or
- He/she resides in a Census tract with at least 70 percent LMI persons; or
- The assisted business is located in an *eligible** Census tract (see below) **and** the job will be located within that same Census tract. **Please consult with City staff to find out if your business is in an eligible Census Tract.** *An *eligible* Census tract is one that is located within a Federally-designated Empowerment Zone or Enterprise Community **or** a Census tract that:
 - i. Has a poverty rate of at least 20 percent;
 - ii. Does not include part of a central business district (unless the Census tract has a poverty rate of at least 30 percent); and
 - iii. Evidences pervasive poverty and general distress by meeting at least one of the following criteria:
 - All block groups in the Census tract have 20 percent or greater poverty rates;
 - The activity is undertaken in a block group with a 20 percent or greater poverty rate; or
 - HUD determines that the tract shows other signs of distress (e.g., crime, homelessness, deteriorated housing, etc.)

2. 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.
3. Reporting: **Due to CDBG and HUD requirements, the City must collect and report on economic indicators and demographics of persons served by having employees complete certification forms and completing a final report that collects this data.** The City will also require 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)
4. Environmental Review: All projects are subject to federally required environmental reviews by the City of Albany. These vary in scope, depending on the project. (24 CFR 570.603)
5. DUNS #: Businesses receiving federal assistance of any kind must get a DUNS number. Obtaining a DUNS number is a free, simple activity. Call 1-866-705-5711 or apply online at <http://fedgov.dnb.com/webform>
6. Applicants must comply with all state and local laws and regulations pertaining to licensing, permits, building and zoning code requirements.

FOR MORE INFORMATION about Albany's Small Business Grant Program, please contact:

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