

## Part 5 – Economic Development

**Job Creation/Retention and LMI Benefit Impact Score  
Table E-1**

<b>1. Average Cost per Beneficiary Score</b>	
Cost per FTE job: (\$34,999 max.)	1a. _____ ÷ _____ = \$ _____ Total CDBG funds requested ÷ Total # of FTE jobs created or jobs retained = Cost per FTE job
Enter points based on the following:	
\$ 1.00 - \$9,999.99	175 points
\$ 10,000.00 - \$19,999.99	160 points
\$ 20,000.00 - \$34,999.99	150 points
\$ 35,000.00 or more	Loss of funding reservation
	<b>1b. Enter Score: _____ (175 Points Maximum)</b>
<b>2. Low-to-Moderate Income (LMI) Beneficiary Impact Score</b>	
2a.	_____ ÷ _____ = _____ % Number of FTE jobs to be created/retained for LMI persons ÷ Total number of FTE jobs created/retained = % of jobs that are LMI
Enter points based on the following:	
0 to 50.99%	Loss of funding reservation
51% and above	0 points
Or if a national objective is to be attained under the provisions of 24 CFR Section 570.483(b)(4)(iv) or (v)	0 points
	<b>2b. Enter Score: _____ (0 Points Maximum)</b>

**Job Creation/Retention and LMI Benefit Impact Score — Table E-1 (Continued)**

<b>3. Full-time Equivalent LMI Jobs Score</b>	
3a. Number of hours to be worked on an annual basis by all created/retained LMI job employees _____ divided by 2,000 hours = _____ Total Number of FTE LMI jobs.	
Enter the points below based on the following number of FTE LMI jobs.	
Under 12 jobs	150 points
12-18 LMI jobs	160 points
19 or more LMI jobs	175 points
<b>3b. Enter Score:</b> _____ (175 Points Maximum)	

<b>4. Unemployment Level Score</b>	
Applicants (Cities and Counties) may score points if the most recent unemployment percentage for their County exceeds the most recent Seasonably Adjusted Unemployment percentage for the entire State by .01 or more. Locate the range below that reflects the most recent unemployment percentage above the applicant's county unemployment percentage and enter score.	
Under .1% Over State Unemployment Level	0 points
.1% to 1.0% Over State Unemployment Level	10 points
1.01% to 1.75% Over State Unemployment Level	15 points
1.76% to 2.50% Over State Unemployment Level	25 points
2.51% to 3.25% Over State Unemployment Level	35 points
3.26% to 4.0% Over State Unemployment Level	45 points
4.01% + Over State Unemployment Level	55 points
<b>4a. Enter Score:</b> _____ (55 Points Maximum)	

**Other Community Development Activities**

<b>6. Investment Ratio – For CDBG Loans Only</b>	
For projects where a loan is proposed, calculate the ratio of CDBG loan funds requested by each Participating Party to all eligible leverage funds. If the CDBG funds to be loaned to a Participating Party constitute more than 50% of the total funds to be invested by the Participating Party at the job creation location, the project cannot be funded.	
Name of Participating Party: _____	
6a. CDBG Funds Requested for a CDBG loan to a Participating Party (does not include requested CDBG administrative cost)	\$ _____
6b. Total private funds to be spent at the job creation location by a Participating Party:	\$ _____
6c. Private Investment Ratio carried to four decimal places	6b ÷ 6a = _____
If 6c is .9999 or less, the application cannot be funded. If 6c is 1.0 or greater, the application can proceed through the review process.	
<i>If proposing to offer a CDBG loan to more than one Participating Party, a separate calculation must be done for each Participating Party.</i>	

**Total Funds Required for CDBG Project — Table E-2**

	A	B	C	D	E	F	G
Activity #	Activity Name (If you wish to undertake an activity that is not listed below, contact the CDBG Program for assistance.)	RUS Engineering Table	CDBG Funds	Participating Party Leverage Funds	Public Leverage from Local & Non-Local Sources	Other Funds Required-Not Scored as Leverage	Total Funds Contributed to Project
17A	Acquisition (in Support of)	N/A	\$	\$	\$	\$	\$
17C	Building Construction	Table II	\$	\$	\$	\$	\$
04	Demolition of Vacant Dilapidated Buildings	N/A	\$	\$	\$	\$	\$
17B	Water Facilities (Treatment Plants, Tanks, Wells)	Table I	\$	\$	\$	\$	\$
17B	Water Lines	Table II	\$	\$	\$	\$	\$
17B	Sewer Facilities (Treatment Plants)	Table I	\$	\$	\$	\$	\$
17B	Sewer Lines (Lines and Lift Stations)	Table I	\$	\$	\$	\$	\$
17B	Fire Protection	XX	\$	\$	\$	\$	\$
17B	Flood and Drainage	Table II	\$	\$	\$	\$	\$
17B	Street Improvements	Table II	\$	\$	\$	\$	\$
17D	Parking Facilities	Table II	\$	\$	\$	\$	\$
17C	Relocation of Utilities to Underground	Table II	\$	\$	\$	\$	\$
17B	Solid Waste Disposal	Table II	\$	\$	\$	\$	\$
08	Relocation	N/A	\$	\$	\$	\$	\$
17C	Rehabilitation of Commercial Buildings	Table II	\$	\$	\$	\$	\$
10	Removal of Architectural Barriers in Public Buildings	Table II	\$	\$	\$	\$	\$
18A	Direct Assistance to For Profits	As Applicable	\$	\$	\$	\$	\$
16B	Historic Rehabilitation and Preservation	Table II	\$	\$	\$	\$	\$
17D	ED Other – Describe		\$	\$	\$	\$	\$
18C	Micro-Enterprise Assistance	N/A	\$	\$	\$	\$	\$

**Total Funds Required for CDBG Project — Table E-2 (Continued)**

	<b>A (Non-CDBG Funds)</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Initial Inventory (Start-Ups Only)		N/A	\$	\$	\$	\$	\$
Increase Inventory		N/A	\$	\$	\$	\$	\$
Non-Capitalized Tools and Equipment		N/A	\$	\$	\$	\$	\$
Other – Describe			\$	\$	\$	\$	\$
Totals (Columns C, D, E and F)			\$	\$	\$	\$	\$
Total Funds Required to Complete CDBG Project (all sources); excluding Engineering & Administration, add columns C, D, E, & F							\$
Indicate the RUS Used and Enter Engineering Funds RUS Table Used: <input type="checkbox"/> I <input type="checkbox"/> II <input type="checkbox"/> Both Prorated							
Basic Fee			\$	\$	\$	\$	\$
Resident Inspection Fee			\$	\$	\$	\$	\$
Preliminary Engineering Fee			\$	\$	\$	\$	\$
Additional Engineering Services			\$	\$	\$	\$	\$
Total Engineering Fees by Source			\$	\$	\$	\$	\$
Enter Administrative Funds			\$	\$	\$	\$	\$
Totals by Source			\$	\$	\$	\$	\$

**Category Summary Score (1b+2b+3b+4a+5a):** \_\_\_\_\_

**(Transfer this score to line 3e. in the ED column on the Application Scoring Summary page – Part 8, page 4.)  
(Cannot exceed 405 points.)**

**Participating Party with an Existing Business  
Current Employee and Jobs Documentation — Table E-3**

Participating Party: \_\_\_\_\_

A	B	C	D	E	F
Job Titles of Jobs to be Retained	Total FTE Jobs Currently Existing	Total FTE Jobs to be Retained for LMI Persons	Hourly Pay Rate or Annual Pay Rate	Total Annual Payroll for This Job Title	Total Annual Payroll For Jobs Held by LMI Persons
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
<b>Totals:</b>			\$	\$	\$

(Use additional sheets if necessary.)

**Participating Party Jobs Creation Information  
Table E-4**

Name of Participating Party: \_\_\_\_\_

A	B	C	D	E	F	G
Job Titles of Jobs to be Created	Total FTE Jobs to be Created	Total FTE Jobs to Be Created for LMI Persons	Hourly Pay Rate or Annual Pay Rate	Total Annual Payroll for This Job Title	Total Payroll for Jobs Created for LMI Persons	Proposed Hiring Date Month/Year
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
<b>Totals</b>				\$	\$	

(Use additional sheets if necessary.)

**ED Loan Narrative — Table E-5**

If applying for an Economic Development subgrant and a loan will be made from the CDBG funds, provide the following information:

1. Specify the exact corporate, personal, or partnership name of the proposed borrower(s) and guarantor(s).			
2. Specify the amount of the CDBG loan request, the proposed interest rate, the proposed term of the loan, and the frequency and amount of payment. The interest rate may be no less than 5.5 percent per annum below the prime interest rate as of the date of the application, but in no case may be it less than 2.0 percent per annum.			
Loan Request: \$	Proposed Interest Rate: %	Proposed Term of Loan:	Frequency and Amount of Payment:
3. Specify the type and value of collateral offered and proposed lien or mortgage position of the CDBG loan.			
Type of Collateral:	Value of Collateral: \$	Proposed Lien or Mortgage Position:	
4. Specify below why a loan of CDBG funds to a Participating Party is necessary for the project to work. A declarative statement by the Participating Party or the local government is not adequate. A quantitative explanation must be provided that justifies the amount and terms of the CDBG loan based on:			
• Filling a documented and quantified financial gap, or			
• Providing a funding mechanism to motivate a Participating Party to locate within an economically distressed area of the jurisdiction by paying the increased cost of locating to that distressed area, or			
• Creating a reasonable rate of return for a Participating Party when, without the infusion of CDBG funds, the rate of return is such that the Participating Party will not make the investment necessary for the job creation to occur, or			
• Providing a funding mechanism to "level the playing field," from a cost perspective in a Participating Party's decision to choose between locating in the local government's jurisdiction and locating in another state.			

## **Part 5 – Economic Development**

### **Instructions**

The Small Cities CDBG Economic Development subgrants assist communities through the creation or retention of jobs primarily for persons from low-to-moderate income households. Projects also expand the community's tax base. Economic Development projects must meet a National Objective as described in 24 CFR 570.483 (b) (4) and must meet Public Benefit Standards as described in 24 CFR 570.482 (f).

**(1) National Objective and Public Benefit. Approaches under Economic Development**

An Applicant for an Economic Development project must meet a national objective by creating or retaining jobs of which at least 51 percent are for persons from low- to moderate-income households or which meet the criteria contained in 24 CFR 570.483(b)(4)(iv) and (v), or by providing goods and services to an area with a primarily low- to moderate-income clientele. An Applicant for an Economic Development project must provide a public benefit by creating or retaining full time equivalent jobs at a CDBG-funded cost per job of \$34,999 or less, or by providing goods and services to low- to moderate-income persons at a cost of no more than \$350 per LMI beneficiary served.

In determining whether an activity will benefit low- and moderate-income persons, the net effect of the completed activity shall be considered.

If job creation or retention is used to meet the national objective, a Pre-Employment Household Income Certification Form, must be completed for each employee hired or retained. For new jobs, the determination of actual benefit to low- and moderate-income persons shall be made based on the number and percent of persons who, at the time they were hired, were low- and moderate-income persons as defined in Rule 73C-23.0031, F.A.C. For projects using a retained jobs approach, the determination of actual benefit to low- and moderate-income persons shall be made based on the number of low- and moderate-income persons employed in the jobs that would actually be lost to the labor market or the jobs that would reasonably be expected to turn over within the following two years and filled with LMI persons upon turn over. The calculation of jobs shall be determined as of the date the application is submitted.

Where job creation or retention is the method of meeting a national objective for construction of a public improvement or facility, all jobs created or retained as a direct result of the construction of the public improvement or facility shall be considered. However, if the business(es) included in the application create enough jobs to meet a cost per job of less than \$10,000 or if no other businesses create additional jobs as a result of the CDBG assistance, and the time period specified in 24 CFR 570.483(b)(4)(vi)(F)(2), are attained, only those jobs created by businesses included in the application must be counted for the purpose of meeting a national objective.

During the application review, DEO will make a determination of the availability of jobs to LMI persons. To determine that the created or retained jobs will be made available to low- and moderate-income persons, the local government and Participating Party shall ensure that:

1. Jobs will be created which do not require special skills that can only be acquired with substantial work experience, education beyond high school, or specialized work experience;
2. Training is provided to members of families of low and moderate income as necessary to equip them with the skills required to obtain and retain the job to be created and/or retained. Such training shall be provided at no cost to LMI persons; and,
3. The advertising and recruiting efforts are directed toward low- and moderate-income persons.

If a national objective is attained under the provisions of 24 CFR 570.483(b)(4)(iv) or (v), as incorporated in Rule 73C-23.0051, F.A.C., demographic and/or census documentation must be provided with the application. Public improvement activities are also subject to the requirements of 24 CFR 570.483(e)(1).

Activities to address the needs of those beneficiaries listed in 24 CFR 570.483(b)(2)(ii)(A), will be presumed to meet the national objective of benefit to low- and moderate-income persons if they are directly related to the job creation or retention activities.

Common terms used for this category are defined as follows:

- 1) The **“Job creation location”** means the geographic location in the project area where job creation activities of the Participating Party and expenditure of non-public funds will occur.
- 2) **“Jobs created”** means non-public sector jobs created in Florida that were not in existence prior to the provision of the CDBG assistance and which would not be created without CDBG assistance. In cases where an employer both creates and eliminates jobs, “jobs – created” means the difference between the new jobs created and the old jobs eliminated.
- 3) **“Jobs permanent”** means full-time jobs (2,000 hours annually) or full-time equivalent jobs (2,000 hours annually) as set forth in the application which are necessary to the overall goals and objectives of a business and which have no known end.
- 4) **“Jobs retained”** means jobs that without CDBG assistance, would be abolished by layoffs, plant closing, or other severe economic or natural conditions or as otherwise clarified in 24 CFR 570.483(b)(4).
- 5) **“Participating Party”** means a private, for-profit business or non-governmental private not-for-profit entity responsible for creating or retaining permanent jobs as part of a proposed Economic Development project. A governmental entity cannot be a Participating Party.

**(2) Application Submission and Funding Reservation for Economic Development Projects.**

- (a) The Florida Small Cities Community Development Block Grant Application for Funding, Form SC-60, as incorporated in Rule 73C-23.0030, F.A.C., may be submitted when the annual application cycle opens. Applications received by the application deadline will be scored and ranked if the total dollars requested exceeds the amount available in the category. If successful, they will be awarded until all available funds are committed.
- (b) If initial application requests do not exceed the available funds, any Application for Funding received after the application deadline will be reviewed and awarded on a first-come, first-served basis until all funds are committed.
- (c) These funds shall include the annual Economic Development allocation and may include program income and deobligated funds from previous Economic Development subgrants, in accordance with the Annual Action Plan.
- (d) A local government may apply up to three times in an annual funding cycle.
- (e) A local government cannot submit an additional Economic Development Application for Funding in an annual funding cycle until any previously submitted Economic Development application for that annual funding cycle has been rejected by the Department, has lost its funding reservation, or has been withdrawn in writing by the Chief Elected Official or his or her designee.
- (f) Economic Development applications will be date stamped upon receipt by the Department’s Community Development Block Grant Section. The date stamp and time received by the Section shall establish the date and time for funding reservation purposes. Date stamps from any other section of the Department shall not establish a funding reservation. Funds will be reserved in the order that the applications are received by date and time.
- (h) If sufficient funds are available to fully fund an application, that amount is reserved for the Applicant upon receipt of the Application for Funding. The application continues to have those funds reserved until a subgrant is executed or until there is a loss of funding reservation.
- (i) If insufficient funds are available to fully or partially fund applications with a funding reservation, those applications shall retain a position in the funding reservation line. The applications may be funded if additional funds are made available by additional allocations or by a loss of funding reservation by another Economic Development Applicant.

(j) If partial funding is available, the Department may offer to partially fund an eligible application and will continue with the application review and scoring for partial funding. If the application remains eligible after review and scoring based on available funding, the Department will offer to partially fund it. There is no guarantee of full funding in such an offer, but a partially funded subgrant will be considered first if additional funds become available. The local government has the option of declining a partially funded offer.

(k) The review and offer of funding will then be made to the next eligible pending application. If there are no other applications pending or if the amount of the funds available is too small for reasonable consideration, the partial funds can be held until additional funds are available.

**(4) Economic Development Activity Outside the Applicant's Jurisdiction.**

(a) The Applicant can undertake activities outside its jurisdiction provided an interlocal agreement exists with the affected jurisdiction(s); and,

1. The activity involves installing new infrastructure or connecting to existing infrastructure that is located outside the Applicant's jurisdiction and may be owned and operated by the Applicant, or another public or private entity, but the job creation site is located within the Applicant's jurisdiction;

2. The job creation site is located outside the Applicant's jurisdiction, but the activity involves connecting to infrastructure owned by the Applicant; or

3. The job creation site is located outside the Applicant's jurisdiction, but it is located in an Applicant-owned industrial/commercial site.

(b) Liability for CDBG performance and compliance with all applicable rules and regulations rests with the Applicant.

**(5) Eligibility Requirements for Loans.**

(a) Determining eligibility for loans to non-public entities. All Economic Development applications submitted to the Department shall be screened to determine if the amount of any loan assistance to a private, for-profit entity; a private, non-profit entity; a neighborhood based organization; a local development organization; or other non-profit entities is appropriate to carry out the Economic Development project. A financial underwriting analysis of the project shall be conducted to determine that the minimum amount of assistance is being requested, that the terms and interest rates are appropriate given the entity's debt service capacity, and that the entity has the ability to meet the proposed debt service, given historical financial statements, as well as data and reasonable projections of revenues and operating expenses, if applicable.

(b) Applications which do not contain justification of the appropriateness of the assistance being requested shall be ineligible in accordance with federal law and federal guidelines found in 24 CFR Part 570, including Appendix A, as incorporated in Rule 73C-23.0030, F.A.C., and shall be ineligible for scoring as provided in Section 290.0475, F.S.

(c) If the Department's review of the financial underwriting analysis for the assistance determines that the funds requested exceed the funds necessary, the funding request shall be reduced by the Department.

(d) The local government shall provide a financial underwriting analysis and other Participating Party documentation to the Department that was not required at the time of application. The underwriting analysis must meet the requirements of 24 CFR 570.482(e), and Appendix A of 24 CFR 570, as incorporated in Rule 73C-23.0030, F.A.C. The underwriting analysis must be prepared by a certified public accountant, a commercial lending underwriter, a financial professional employed by the local government or a certified economic development finance professional approved by the Department. The underwriter shall not be approved if the State of Florida or the federal government has placed the underwriter on a list that prohibits them from working on state or federal contracts or if the Department determines that a conflict of interest exists.

(e) Once this financial underwriting analysis and other required documentation has been provided by the local government, any change which affects the underwriter's conclusions, including changes in corporate or ownership structure, which affects the underlying assumptions upon which the local government relied will require that the analysis be re-evaluated by the local government and any assistance requested for the Participating Party must be adjusted if such a change has occurred.

(f) For CDBG loans only, CDBG funds may be used to fund up to 50 percent of the cost of eligible activities at the job creation location. The administrative cost shall not be included in this calculation. Applications which do not meet this requirement shall lose their funding reservation.

**(6) Eligibility Requirements for Infrastructure Projects.**

(a) The eligibility for infrastructure projects shall be determined by:

1. The type of activities proposed; and,
2. Evidence that the activities will benefit primarily low- and moderate-income persons.

(b) Applications shall also document that the entity proposing to create jobs is financially viable based on accepted industry standards.

(c) The application shall include a letter from an engineer certifying that the route, scope, cost, and size of the components of the proposed infrastructure are the minimum necessary to provide for the needs of a Participating Party at a job creation location. The Applicant cannot request a modification to decrease the size of the proposed minimum infrastructure because of price or change in needs after an agreement is awarded. Any increase in cost shall be paid either by the Applicant or the Participating Party.

(d) Job Commitment. Applicants shall document that the Participating Party has the financial capacity to meet its commitment to provide or retain the jobs specified in the application. Applications which do not contain evidence of the capacity to provide jobs shall lose their funding reservation.

(e) Job Creation or Retention. At least one full time equivalent job must be created or retained for each \$34,999 in CDBG funds requested. Applications which do not meet the cost-per-job requirements shall lose their funding reservation.

**(9) Site Visits and Completeness Letters for Economic Development Applications.**

(a) The Department shall conduct site visits to communities that submit economic development applications throughout the funding cycle as long as funds remain available for award.

(b) The Department shall notify the Chief Elected Officer in writing of the date and time that the site visit will take place. The letter shall include a list of application support documents and CDBG-related policies that will be reviewed at the site visit. It shall also discuss any issues that were noted during the application review process that need to be addressed.

(c) At the site visit, the Department shall examine all documentation referenced in the Application for Funding and listed in the site visit letter and, if applicable, review the Applicant's response to the issues that were noted during the application review process.

(d) The Participating Party(ies) must participate in the site visit, or the Participating Party(ies) must come to Tallahassee to meet with Department staff within 30 days after the site visit. Should a Participating Party fail to meet with Department staff, the application must be withdrawn by the Applicant or the application will lose its funding reservation.

(e) If the application remains eligible for funding following the site visit, the Department will notify the Applicant and provide a subgrant agreement electronically to the Applicant for execution.

(f) If issues were generated during the site visit that were not resolved before the “Award and Offer to Contract Letter” was prepared, a list of additional questions or requests for information will be included with the letter. The Department will add special conditions to the Applicant’s subgrant agreement, if necessary, to resolve the issues.

(g) Within 60 calendar days of the Applicant’s receipt of the “Award and Offer to Contract Letter” (the 60-day period), the Department must receive all documentation referenced in the letter, two copies of the signed subgrant agreement, and copies of the documents listed in the instructions for Part 5 of the application under the heading Award and Offer to Contract Documentation.

(h) Two copies of the signed subgrant agreement and all required documentation must be received by the Department on or before 5:00 p.m. (Eastern Time), of the 60th day. The day that the “Award and Offer to Contract Letter” is received by the local government shall not be included in the 60-day completeness period. All documents, except for the two copies of the subgrant agreement, may be submitted electronically to meet the 60-day requirement.

(i) If all program requirements have been met, the Department will execute and return a signed copy of the subgrant agreement to the local government.

(j) If CDBG Economic Development funds are unavailable, the eligible applications will be held in the order of their funding reservation as established in this section should additional funds become available.

#### **Economic Development Project Assurance**

By signing the application, the applicant assures the Department that it or another named provider has sufficient sewage treatment plant capacity and/or potable water plant capacity to provide an adequate level of service to the job creation location and to the Participating Party or Parties at the level of operational activity and employment proposed in the application.

#### **CDBG Funding Limitations**

CDBG Funds shall not be used for:

- Working capital, inventory, supplies, or to refinance existing debt
- Purchasing assets from any entity if any principal of the Participating Party owns an interest of 20% or more in that entity
- Building or developing infrastructure beyond that which is required as a prerequisite for job creation by the Participating Party
- A loan to a non-public entity which is determined to be not appropriate as defined in 24 CFR 570.482(e)
- Direct assistance to non-public entity in the form of a grant

#### **Job Creation/Retention, LMI Benefit Impact and Unemployment Percentage (Table E-1)**

This section requires applicants to specify project activities; outline the project budget, including all resources required for project completion; identify sources of funding, and document commitments of funding; document LMI job creation benefit; and submit supporting documentation required for project evaluation. The information requested in the application is needed to calculate the following scores:

- A. Average Cost per Beneficiary Score – Divide the total CDBG funds requested by the total number of full-time equivalent jobs to be created or retained. Include the calculation. Use the range scale on the left of the section with the corresponding points on the right of the section to determine the points.

- B. Low-to-Moderate Income (LMI) Beneficiary Impact Score – Divide the number of full-time equivalent jobs to be created or retained for persons from Low-to-Moderate Income households by the total number of full time equivalent jobs to be created or retained. Include the calculation. If percentage is less than 51%, score this is a loss of funding reservation issue. If percentage is 51% or more, score zero.
- C. Full-Time Equivalent LMI Jobs Score – Divide the total number of annual hours to be worked by employees from low-to-moderate income households by 2,000. Include the calculation. Use the range scale on the left of the section with the corresponding points on the right of the section to determine the points.
- D. Unemployment Percentage Score – Use the website <http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/local-area-unemployment-statistics> to locate the most recent Local Area Unemployment Statistics (LAUS) and determine the unemployment rate for the County where the proposed project is to be located. Choose the most recent available monthly posting preceding the application submission. For City applicants, use the County's unemployment rate. Locate the State's Seasonally Adjusted Unemployment Rate for the same period at the bottom of the same report. Use the range scale on the left of the section to determine the percentage points the County's Unemployment Rate is above the State's Seasonally Adjusted Unemployment Rate for the same period. Score the corresponding points on the right of the section.

**Other Community Development Activities**

1. Complete the calculation to determine if the Participating Party's investment in the project equals or exceed the amount requested in CDBG loan dollars. If the investment does not equal or exceed to CDBG funding, the application cannot be funded.

**Total Funds Required for CDBG Project Completion by Activity and Funding Source (Table E-2)**

Enter the proposed budget by activity and funding source. This form must reflect all funding required to complete the proposed project. Non-CDBG funding sources identified on this form must be committed to the project.

4. Enter the proposed project cost, excluding administrative and engineering costs, for each activity. All eligible ED activities are listed in Column A.
5. Enter the CDBG budget items in Column C.
6. Enter the Participating Party/Parties leveraged funds budget items in Column D. Enter the public (local and other government sources) leveraged funds budget items in Column E.
7. Enter other funds required for the project, but not claimed for leverage, in Column F.
8. The Cost Standard Used to estimate costs must be provided as supporting documentation. The Department will review the standard for cost reasonableness and may request justification of the cost reasonableness of any budgetary item. If the local government cannot justify a cost, the Department will reduce the line item budget at the time of contracting.
9. Total Columns C, D, E, and F (CDBG Project Costs by funding resource). Note that engineering and administrative costs are not included in the CDBG Project Cost.
10. Enter total funds from all sources required to complete project.
11. Indicate the RUS Table used to determine engineering fees and enter proposed CDBG engineering fees as outlined in Column B. Please see RUS Form 1942-19 (in the last section of the application) for information concerning these costs.
12. Enter the total engineering fees in Columns C through F based on funding source(s) for these fees.
13. Enter the administrative costs in Columns C through F based on funding source(s) for these fees.

14. Enter the final totals by funding sources by adding the amounts in lines 2, 5 and 6 in Columns C through F. The CDBG total in C - 6 must equal the amount requested in Part III of the Application.

**Documentation Requirements**

Submit the documentation, explained in the following pages, in the Supporting Documentation Section. If items are missing, the application will be returned to the applicant for resubmission. Documentation must be on the appropriate letterhead and signed by an individual authorized to make the commitment. Unsigned letters shall not serve as a letter of commitment. The following items, if applicable, must be included with an ED application. Please include a label at the top of each page of each document submitted using the titles displayed below.- Number the pages and indicate the page number where each of these items can be found.

**Documentation and Page Number**

A. Local Government Commitment:

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B. Local Government Cost Estimate:

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C. Multi-Jurisdictional Activity Information:

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D. Commitment of Non-CDBG Funds to be Spent by the Local Government:

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E. Comprehensive Plan Conformance and Relevant Excerpts:

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F. Initial Participating Party Commitments:

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G. Business Plan:

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H. Participating Party(s) Current Employee Information, if Applicable:

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I. Participating Party(s) Proposed New Job Creation Information:

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J. Financial Information for Participating Parties  
which are expanding or to whom a CDBG Loan Is Proposed:

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### Local Government Commitment

Each application must include a letter on local government letterhead, signed by the Chief Elected Official, prior to the application deadline that provides:

1. A clear statement of the scope, nature, cost, and desired results of the project.
2. A statement of the local government's willingness to expend non-CDBG funds required for project completion, referenced in the Activity and Funding Source. The statement must indicate all funds will be expended after the date of the site visit and prior to submission of the administrative closeout.
3. A quantitative description of the funds provided by the local government, including the source (general revenue, tax increment financing (TIF), enterprise funds, bank loans, grants, etc.) and the budget activity line item for which the funds will be expended.
4. A statement that all proposed activities and job creation locations conform to local zoning requirements, land development regulations, the future land use map, and that they are not inconsistent with the Comprehensive Plan.
5. If not being created as part of the project, a statement that there is sufficient potable water and sewage plant treatment and delivery capacity to provide adequate service to the job creation location of each Participating Party at the projected levels of employment, operational activity, and customer usage.
6. The terms of any commitment made to a Participating Party, individual, business entity, or other local government, other than potential CDBG assistance, as an inducement for participation.
7. A description of how any displacement or relocation of homeowners, tenants, businesses or others, as a result of the project, will occur. If displacement or relocation will occur, include a copy of the notice(s) provided to potential displaced or relocated person pursuant to the Uniform Act and as illustrated in HUD Handbook 1378, Appendices 2 thru 7.
8. The basis for the determination that a national objective will be met as provided by 24 CFR Section 570.483(b) (4) (iv) or (v), if appropriate.
9. For the purpose of documenting public benefit only, agree that if upon completion of a project funding public infrastructure, the threshold cost per job of \$35,000 is not attained, the local government shall continue to track all jobs created as a direct result of the infrastructure or facility by all Participating Parties, and by those businesses or other job-creating entities who later create jobs as a direct result of the availability of the public improvement or facility.  
All jobs created by all parties as a direct result of the public improvement or facility must be tracked in case it becomes necessary for the jobs to be used to document a national objective.
10. Affirm that the construction of infrastructure, such as drainage or retention ponds, roads, sidewalks, parking, etc., which will be paid for with CDBG funds, shall only be undertaken on public property, a public right-of-way, or a public or private utility easement.
11. Provide an unequivocal statement that, if the proposed CDBG funded infrastructure is not provided to the job creation location(s), the jobs cannot be created or retained by the Participating Party(s).

The Department may require a commitment from any other entity whose participation or investment is necessary for successful completion of the project.

### Local Government Cost Estimate Documentation

Document by cost estimates for all activities (other than administration and engineering), the basis for the amount of CDBG funds requested in the application and the total cost of the project. Cost estimates are required for all components of the proposed activities to be paid for with CDBG funds and for activities to be paid for by the local government with other funds.

If CDBG funds are being requested for the construction of infrastructure, the local government shall:

1. Provide a certification from a licensed engineer that the proposed route, scope, cost, and size of components and accouterments of the proposed infrastructure is the minimum necessary to provide for the needs of the Participating Party(s) at the job creation location(s).  
If this determination is made based upon minimum permitting requirements of a state or federal agency, or minimal requirements of an insurance company, include documentation of that agency's requirements.
2. Include detailed and quantitative cost estimates from a licensed engineer, copies of previous bids from contractors, or cost estimates from a recently completed similar activity. Cost estimates must cover major components (i.e., lift stations, linear feet of road, etc.).
3. Provide cost estimates that segregate the cost of activities to be paid with CDBG funds from the cost of like activities to be paid for with non-CDBG funds.
4. Where CDBG funds are being used to pay for activities other than infrastructure:
  - a. If CDBG funds are being requested to pay for any portion of real property, easements, or rights of way, include copies of property tax statements, disinterested third party appraisals, an appraisal from a certified appraiser, or some other determination of value that documents that the proposed purchase price is based on the fair market value of the property.
  - b. If proposed building construction or rehabilitation is to be partially or fully paid with CDBG funds, include cost estimates from a general contractor, engineer, or architect, or from a recently completed similar facility.
  - c. If proposed acquisition of new or used machinery and equipment is to be partially or fully paid with CDBG funds, include cost estimates from a possible vendor or invoices from recent acquisitions.
  - d. If proposed acquisition of used machinery or equipment is to be partially or fully paid with CDBG funds from other than a normal vendor, include a disinterested third party appraisal demonstrating the current value.
  - e. If any other activity (other than administration and engineering) is to be partially or fully paid with CDBG funds, provide a detailed description and cost estimate of those activities.

**Non-CDBG Funds to Be Expended by the Local Government**

Provide documentation of the local government's commitment to provide necessary non-CDBG funds to complete the project that:

1. Agrees with the Total Funds Required for CDBG Project Completion by Activity and Funding Source Form (Form E-2).
2. Provides evidence that the commitment has been formally made and from what source(s) the funds are available.
3. Sufficient funds will be available to complete the project.
4. If the leverage amount claimed for scoring is less than that reflected on the Total Funds Required for CDBG Project Completion by Activity and Funding Source Form, please include this information.

**Initial Participating Party Commitments**

Each Participating Party shall provide a signed binding and irrevocable statement of commitment that is contingent upon the receipt of CDBG funds, includes an expiration date (if applicable), and includes any and all conditions which must be met by the local government or any third party before performance under the commitment is binding.

1. The Participating Party attests that the assisted activity will/will not result in the relocation of any industrial or commercial plant, facility, or operation from one Labor Market Area (LMA) to another, and, if so, the number of jobs that will be relocated from each LMA;
2. The Participating Party certifies from that neither it, nor any of its subsidiaries, have plans to relocate jobs at the time this agreement is signed that would result in a significant job loss as defined in 24 CFR 570.210; and
3. The Participating Party agrees to reimburse the City/County any CDBG assistance provided to, or expended on behalf of, the Participating Party, in the event that such assistance results in the relocation of jobs as prohibited under 24 CFR 570.210.

The Department retains the right to reject commitments that are incomplete or insufficient. Attachments or appendices must be on Participating Party letterhead, signed or initialed by the Participating Party. The statement of commitment shall include at a minimum:

1. The concept, scope, and cost of its part of the project.
2. A brief description of each Participating Party that reflects its legal name, explains the products or services offered, and states how it will benefit from the project.
3. An indication of whether the Participating Party's business will be a start-up.
4. If the business is an expansion or relocation, a description of the present operating conditions, locations and the reason for expansion or relocation.
5. If a business relocation, a description of the impact on present employees.

6. A description of the nature of the Participating Party's commitment, including:
  - Total number of jobs to be created and/or retained
  - Number of jobs to be created and/or retained for LMI persons
  - Number of jobs with company sponsored health care
  - Amount and terms of its private financial commitment to the project
  - The proposed sources of any borrowed funds
  - An agreement to relocate, begin construction, or take other appropriate action within a specified period of time after the effective date of the grant
  - An agreement to provide required documentation. Documentation must reference the basis upon which the job creation estimates are made, such as franchise information, industry averages, specific like-projects, or other empirical data.
7. A commitment to provide a completed Pre-Employment Household Income Certification Form for each employee in one of the created jobs and who holds one of the created jobs at the time the job creation commitment by the Participating Party is fulfilled.
8. A commitment to provide a certified payroll report which verifies that those employees documented with the Pre-Employment Household Income Certification Form are active employees.
9. A commitment to provide training to members of families of low and moderate income as necessary to equip them with the skills required to obtain and retain the job to be created and/or retained.
10. A commitment to notify the Recipient in writing when it begins and completes the hiring for the required jobs.
11. A commitment to use the service of the local workforce board and/or advertise the newly created positions in one or more of the local newspapers that serve the city/county.
12. A commitment to develop a schedule which identifies the start date for construction of its facilities; the dates by which such construction will be 25%, 50%, 75% and 100% complete; the date that hiring of employees will begin; and the date by which all employees will be hired.
13. A commitment to submit a detailed quarterly report to the Recipient that demonstrates progress toward achieving the milestones.
14. A commitment to provide to the Recipient or its agents such information concerning the project as may reasonably be required.
15. A commitment to comply with Chapter 119, F.S., for all documents, papers, letters or other materials subject to the provisions of Chapter 119, F.S., and made or received by the Participating Party in conjunction an application or subsequent grant.
16. In the case of an expansion, a commitment to provide a certified payroll report from the last payroll period prior to the Application Site Visit, which documents all of the company's active employees.

17. A commitment to track all jobs created as a direct result of the construction and availability of the infrastructure paid for with CDBG funds for a one-year period following the date of the completion of the CDBG infrastructure. Administrative closeout may not occur until grant cost per job (defined as total grant amount divided by total jobs created or retained) by all Participating Parties no longer exceeds \$10,000 or for one year following physical completion of the infrastructure, whichever comes first.
18. A statement of willingness to sign a legally binding Participating Party Agreement subject to award of the grant.
19. The names, titles, and ownership shares of all principals.
20. If applicable, a statement that the job creation location could not have been selected without the proposed infrastructure being provided to the site.
21. Documentation of site control over the proposed job creation location through ownership, lease, rent, contract for purchase, contract for lease, contract to rent, or purchase option.
22. A detailed and quantitative cost estimate for all activities to be undertaken by a Participating Party, documenting the sources, uses and amounts of all Participating Party funds that are necessary for the completion of the project, whether or not they are scored for leverage points.
  - Leverage funds may not be used for ongoing operations and expenses. Typical uses of leverage funds include land, buildings, machinery, permits, construction and construction fees, impact fees, relocation expenses, capital equipment, furniture, fixtures, and rolling stock.
  - Only the initial investment in supplies, inventory, uniforms, non-capital equipment, and tools, the replacement of which will be expensed-out, can be counted for leverage.
23. State whether or not the amount of funds used for leverage scoring is less than the full estimated cost of the Participating Party(s) investment into the project.
24. The Participating Party must state whether it plans to finance its portion of the project from borrowing, equity, or both, and in what anticipated amounts.
25. Provide all information required to properly complete HUD Form 2880 to document the pecuniary interest and other disclosure requirements of Section 102 of the HUD Reform Act of 1989.
26. A statement that for the last two years (a) the Participating Party has not declared or been a party to an involuntary petition for bankruptcy; and (b) that no principal of the Participating Party has declared or been a party to an involuntary petition bankruptcy.
27. If a Participating Party is an existing operating entity, or will be a spin-off or subsidiary of an existing operating entity, provide for the existing entity:
  - Financial statements (balance sheets, profit and loss statements, and cash flow statement) for the previous two years. If the Participating Party is a publicly held corporation, published annual statements will suffice.
  - Current interim financial statements, if applicable.

28. The Department may require a statement of commitment from any other investor, equity participant, or other party whose participation, cooperation, or investment is necessary for the successful completion of the project.

**Business Plan**

The Participating Party or its agent (not by the local government or its agents or consultants) must provide, separate and distinct from any other documentation, a business plan. Use the business plan templates provided by the Small Business Administration, a Small Business Development Center, or any other template that includes the basic elements that are in the SBA Business Plan template. Audited annual financial statements are acceptable for a publicly traded corporation listed on one of the major US Stock Exchanges, if they address issues of expansion and financing of the expansion.

The business plan must include or address:

1. A description of the business from an ownership, organizational, historical, and structural perspective.
2. The market for its products and its marketing plan.
3. The competition it faces in the marketplace.
4. A management plan, including operational and financial issues.
5. Schedule for CDBG related expansion or initiation of operations.
6. Critical risks and perceived problems.

**Participating Party Current Employee Information (Table E-3)**

Projects that will meet a national objective by creating new jobs or by retaining existing jobs must provide documentation of currently existing employees and jobs. Table E-3 (Participating Party with an Existing Business/Current Employee and Jobs Documentation Form) must be provided for each Participating Party. For businesses that are creating new jobs, a recent payroll report will be reviewed at the Application site visit to establish a base above which job creation will occur.

If the project will meet a national objective by creating or retaining jobs, the following must be included in the application:

1. Documentation that a third party (such as a state or federal regulatory agency) requires that action be taken that, without CDBG assistance, would result in the loss of those jobs in the State of Florida; or
2. Documentation that the Participating Party has openly and publicly stated that without the assistance of CDBG funds, the business will cease operations in the State of Florida. Documentation may include newspaper articles, detailed statements recorded in the minutes of public meetings, and/or copies of notices distributed to employees, and
3. If the application is for a loan to assist in job retention, documentation from third party lenders that the funds are not available at reasonable rates and terms must be provided.

**Participating Party Proposed Job Creation Information (Table E-4)**

Economic Development projects meeting a national objective by job creation must provide a separate Table E-4 for each Participating Party that provides information on the proposed new jobs. The documentation will provide the basis for the estimation of the number of newly created jobs that will be occupied by persons from low and moderate-income households.

**ED Loan Narrative (Table E-5)**

If CDBG funds will be provided to a Participating Party in the form of a loan from the local government, complete Table E-5.

**Financial Information and Commitment from Proposed CDBG Loan Recipients**

If a CDBG loan will be made to a Participating Party, the following information shall be provided:

1. A pro-forma financial statement (balance sheet, profit and loss statements, and cash flow projections) on an annual basis for the first two years of operation. Projections must:
  - Be based upon generally accepted accounting practices.
  - Show all debt service before and after taxes and include the list of assumptions upon which the projections are based.
  - Provide sufficient detail to document all relevant assertions.
  - Be contained in the business plan and in the CDBG application, (particularly wages and salaries, debt service, management and ownership compensation, cash investment, depreciation and amortization, interest expense, initial working capital, production costs, accruals, etc.
  - If the purpose of the CDBG loan is to decrease debt service to make the project feasible rather than to provide gap financing, a pro-forma must be provided for the first two years of operation reflecting only private financing and for the first two years of operation reflecting CDBG funds as part of the financing to document the significant change in debt service.
2. Describe any collateral to be pledged by the Participating Party or other conditions to be met by the Participating Party that are required by the local government.
3. If any portion of the grant is to be used for a loan to a for-profit business, provide documentation that each principal will personally guarantee the CDBG loan.

**Award and Offer to Contract Documentation**

The local government must submit the documentation listed below within 60 days of receipt of the Department's Award and Offer to Contract Letter. All documentation shall be on the committing entity's letterhead and signed by persons authorized to commit the entity.

**Award and Offer to Contract Documentation**

	Documentation	Page
A.	Executed Participating Party Agreements with Participating Party Work Plans	
B.	Additional Participating Party documentation to include proof of the availability of all dollars necessary for project.	
C.	Commitment of Local and Non-Local Public Funds	
D.	CDBG Loan Recipient and Startup Business Documentation	
E.	Executed CDBG Subgrant Agreement	

**A. Executed Participating Party Agreement(s)**

The local government shall submit an executed Participating Party Agreement for each job creator identified in the application. The Participating Party Agreement(s) must be approved by the Department prior to being executed.

**B. Additional Participating Party Documentation**

1. Document the existence, source, and availability of any cash equity investment that is being pledged to the project by a Participating Party. Copies of current bank statements or letters from depository institutions, stock brokerage companies, insurance companies, or other federal or state regulated or chartered third-parties, stating that they are holding the funds on deposit, will be adequate. A letter from a Participating Party stating that the funds exist is not adequate.
2. Document the amount and source of working capital that will be required for at least the first six months of operation or the source of the additional amount of cash investment, if any, that will be required to provide additional working capital for the relocation or expansion of an existing organization. Copies of current bank statements or letters from depository institutions, brokerage companies, or other third-parties holding the funds on deposit will be adequate. A letter from a Participating Party stating that the funds exist shall not be adequate.
3. Document the availability of all funds that are required for the successful completion of the Participating Party's portion of the total project through a written and executed (by all parties) loan commitment, with all contingencies specified and all points and fees paid, from each lender, vendor, consortium, or private individual who will be a provider of funds or credit that is required for the successful completion of the project.

This written commitment shall provide:

- The nature of its commitment, including the amount, terms, expiration, cost, and special conditions, if any, of its offer to the Participating Party.
- Any collateral or other requirements by funding source to be provided or completed by the Participating Party.
- Name, address, and phone number for a loan officer or contact person for each funding source.
- The loan commitment must not be contingent upon such actions as credit review, loan application completion, review by loan committee, or other subjective decisions, or upon payment of fees or points. If fees or points are to be financed as part of the loan rather than paid in advance, the loan commitment must so state.

4. A copy of an irrevocable, unconditional letter of credit from an FDIC insured bank or an established line of credit from a vendor or other third party may suffice for any cash or lending commitment by a Participating Party.
5. Provide documentation that shows that the letter of credit is for the purpose for which the Participating Party has pledged it, or that an established line of credit has an adequate unused balance that can be used for the purpose to which the Participating Party has pledged it; and/or a copy of a fully executed (by all parties) loan agreement and closing statement, reflecting that the loan has already closed and that any points or fees have been paid or financed as part of the loan.

**C. Commitment of Local and Non-Local Public Funds**

Provide documentation that shows that all locally provided public funds required for the completion of the project are budgeted and available. If bonds are to be sold, they must be placed with the underwriter and any validation hearings must have been completed. The Department retains the right to require that the funds be placed in an escrow account.

For grants or loans from other governmental entities, documentation shall be in the form of a fully executed contract with the governmental entity that commits the funds to the local government, or a letter from the appropriate government agency stating that the grant or loan has been fully approved and that the grant or loan is awaiting execution.

**D. CDBG Loan Recipient and Start Up Business Documentation**

An underwriting analysis that meets the requirements of 24 CFR Section 570.482(e), and Appendix A of 24 CFR Part 570. The underwriting analysis must be prepared by a certified public accountant or other financial professional or economic development professional.

Following the Department's acceptance of the financial analysis, any material revisions affecting the underlying assumptions upon which the analysis was based will require a second evaluation by the local government and must be submitted again to the Department.

If the Participating Party is a sole proprietorship or 50 percent or more of any business or Participating Party is owned by one individual, the following must be provided:

1. A copy of a consumer credit report on each principal;
2. A current personal financial statement from each principal and the prior years' tax returns from each principal; and
3. For a CDBG loan, corporate or partnership income tax returns for the previous two years.

**E. CDBG Subgrant Agreement**

Three original signature copies of the subgrant agreement, signed and dated by the Chief Elected Official or designee, by resolution of governing council/commission.