

The Community Development Authority (CDA)

Community Development Block Grant (CDBG) Economic Development Loan Program

The Community Development Authority (CDA) will make a determination of an applicant's ability to successfully complete a project in addition to the project's overall impact on the community. The CDA will review and consider complete applications submitted by the applicable meeting deadline and has the authority to approve, deny, or modify requests for funding.

Eligibility Requirements:

Applicants can proceed with an application only if they meet the following requirements:

1. Loan funds must be used for property acquisition, code compliance updates, building addition/expansions, and limited equipment purchases
2. Own a property or business in Wauwatosa (unless acquisition is part of the project)
3. Comply with all Federal regulations as they pertain to the CDBG Program, including Davis-Bacon Prevailing Wage requirements on construction projects
4. Funding is not retroactive - only work started after a complete application is submitted and approved is eligible for consideration
5. Conform/comply with all City of Wauwatosa zoning, permitting, licensing and approval requirements
6. The business or property owner must, at minimum, create one FTE job and jobs must be filled/made available to low/moderate income individuals

Priority Preferences:

Priority preference may be given to applications that meet one or more of the following considerations:

- A maximum of \$15,000 in assistance per FTE job created
- The maximum funding level request does not exceed \$100,000
- The applicant provides a minimum 10% equity contribution on the total project cost
- Funding is gap financing evidenced by a statement from the lender requiring additional financing
- Property/business owners have not received CDBG funds in the past

Assistance may be in the form of a hybrid – a combination of a forgivable loan (approved under extraordinary circumstances listed below) and a term loan.

- Environmental clean-up
- Building demolition
- Projects involving properties that have been vacant 1+ years in normal economic conditions

Ineligible Applications:

An application is ineligible for funding consideration if any of the following conditions exist:

1. Tax exempt properties
2. Tax delinquent properties
3. Property or businesses in litigation, mediation, condemnation or receivership that may negatively affect the success of the business
4. Properties with outstanding orders to correct building code violations, unless they are to be corrected as part of the CDBG funded project
5. The applicant or business is currently involved in bankruptcy proceedings or has declared bankruptcy in the last five years
6. Businesses that have expired contracts from a previous CDA funding approval

**These conditions are subject to amendment based on a majority vote of the CDA. The CDA reserves the right to request additional information when reviewing and approving applications.*

Application Process:

1. Meet/discuss with staff the appropriateness of CDBG funding
2. Submit a project application for staff review
3. CDA reviews the application for approval
4. Upon approval, the applicant enters into an agreement with the City
5. Work is completed, documentation is provided and a reimbursement check is issued to the applicant

As all CDBG projects are different, the materials that are required for consideration may vary among applicants. In general, an applicant should be prepared to provide the following information on the application form or as attachments:

- **Project Description**
A narrative and/or graphic representation of the proposed project; project budget; financing plan; contractor quotes.
- **Employment Description**
Description of all new positions generated within the business to include position title, position description, estimated date of hire, estimated wage, and training or education, if required.
- **Business Description**
Business plan / narrative description of business; lease, or commitment of lease (if applicable); year-end financial statements for last three years.

Post Approval Requirements / Distribution of Funds:

Prior to the City disbursing any funds, the following required documentation must be in place:

1. **Subrecipient Grant Agreement:** The City Attorney's Office shall prepare a subrecipient grant agreement, executed by the Chairperson of the CDA, City Attorney, City Mayor, and the Chief Executive or designated officers of the applicant. The applicant must execute the agreement within 45 days of CDA approval. Approval expires after 45 days, without option for application resubmittal.
2. **Project Commencement:** The project must commence within 60 days of agreement execution. A funding approval will lapse after 60 days if the project has not started or a request for time extension has not been submitted by the applicant for CDA approval within that time. Only one extension may be granted.
3. **Payment Schedule:** The City Development Department shall prepare reimbursement upon receipt of applicable contractor certifications, certified payrolls, official invoices and/or any other required documentation specified in the subrecipient agreement.
4. **Performance Monitoring:** The Development Department shall monitor the grantee's progress in meeting agreed upon job creation or retention goals. Failure of the business to provide the agreed number of LMI jobs is a condition of default.