



Community Development Block Grant City & County of San Francisco

ED 18A – ACCESS TO CAPITAL GUIDELINES

The primary focus of Economic Development (ED) 18A Access to Capital is to assist pre-start up, start-up and existing business types with direct financial assistance and greater chances of access to capital such as loans and grants. Grantees under ED 18A will report on the following outputs and outcomes:

Program Area	Activity	Activity Units	Outcome	Outcome Units
ECD18A - Access to Capital	Case Management	Business	Businesses started	Business
			# of leases strengthened and businesses stabilized	Business
			Dollar amount of Equity (owner investment)	Business
			Jobs created	Employees
			Jobs retained	Employees

Other Outputs and Outcomes			
Unit of measure	Goal	Start Date	End Date
Workshops, presentations, trainings	#		
Training participants	#		
Community outreach events	#		
Merchant walks conducted	#		
Hours of counseling	#		
Jobs created	#		
Jobs retained	#		
Loans funded	#		
Dollar value of the loans funded	#		
SF Shines façade applications completed	#		

Grantees will connect CDBG qualified clients to these activities. When your client achieves an outcome, you must register the client to an outcome and enter the outcome date. ***At a minimum, the consultation/meeting with a client should be at least one hour.*** Provided in this guide are definitions relevant to ED 18A.

For information on CDBG requirements of clients, please refer to the bottom of this document. Report only CDBG qualified clients to GMS.

1. **ACTIVITY: PRE-LOAN COUNSELING:** This activity involves a pre-start up, start-up or existing business owner meets with agency staff or advisors assist a client regarding business loans. The grantee would meet with the client to discuss their needs, complete an intake (grantee's application and the CDBG client agreement) and register the client on GMS.

Pre-Loan Counseling Outcomes

PRE-LOAN BETTER UNDERSTANDING OF LOAN PROCESS AND RESOURCES: This is the number of businesses/clients that report having better understanding of the loan process after provided with important information about their financial options and options and ways to access capital.

2. **POST-LOAN COUNSELING:** After the client receives loan counseling, you can register the client for this activity. Post-loan TA includes providing advising, resources, referrals, and loan workouts as needed.

Post Loan Counseling Outcomes

JOBS CREATED: Jobs created is the total numbers of new employment positions that have resulted from the technical assistance your agency has provided to a business client. OEWD will count new full-time equivalent (FTE) jobs¹; this includes part-time employees that contribute toward a FTE. Seasonal and/or contractual jobs does count towards the total number of jobs created.

JOBS RETAINED: Jobs retained is the total number of jobs that were saved as a result of the assistance provided to the business by your organization. Without your assistance, the business was in danger of laying-off employees, closing down, or moving out of the area.

If you are registering existing employees from previous fiscal years, please be sure to update employee information as needed (income, new or existing position, address, etc.)

DEFINITIONS

Client Served: A business/entrepreneur that receives business-related assistance through an individual consultation or one-on-one meeting can be counted towards these numbers. At a minimum, the consultation/meeting should be *no less than one-hour*.

A business/client that attends multiple-session trainings that result in an *end goal* (a business plan for example) can also be counted towards these numbers. Businesses/clients that attend workshops where education/information is provided but no in-depth assistance and/or outcomes are produced **cannot** be counted.

Business Status: Review the definitions below and make sure you identify the status of the business when you enter the data into system.

¹ A **permanent new job** is defined as a job classification that provides 1,750 hours a year of employment. However, full time equivalent jobs (FTE) are considered toward establishing a final job count. For example, two part time jobs of at least 875 hours per year each can count as one FTE job toward meeting the HUD public benefit standard.

PRE-START UP: Client has identified business idea; has had no formal sales and is actively pursuing business idea through research and development including: market research, business plan and is motivated to start business within one to two years.

HUD defines a “person developing a micro-enterprise” as any person who has expressed interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a micro-enterprise at the time it is formed. Agencies must maintain documentation of screening and determination that the person meets the definition in the client’s file (HUD Code 24 CFR § 570.201(O) (3)).

START-UPS: Business has been operating for 0-1 years and has two or more of the following characteristics: formal sales, obtained necessary permits and licenses, has incurred business expenses, created at least one job (including the owner).

EXISTING BUSINESSES: Business has been operating for at least one year or more and has two or more of the following characteristics: formal sales, obtained necessary permits and licenses, has incurred business expenses, created at least one job (including the owner).

EXISTING BUSINESS - EXPANSION: Existing business with two or more of the following characteristics:

- Opened a new additional location;
- Introduced a new product line;
- Increased sales/revenue from previous years of at least 10%;
- Increased number of jobs;
- Increased capital investments.

EXISTING BUSINESS - RELOCATION: Existing business with one of the following characteristics:

- Elected to move to a different or new location;
- Forced to move to a different location.

ADDITIONAL REMINDERS – CDBG ELIGIBILITY REQUIREMENTS

Business Services Client Engagement Agreement:

A written agreement between CDBG funded service providers and small business client receiving assistance that identifies the responsibilities of the small business to document and provide CDBG data is required for each client file. Grantees are allowed flexibility to determine the final format for such an agreement tailored to their own specific client needs. A sample client services engagement agreement template is provided on the MOHCD site.

Submitting Loan Information:

To Report Loans in GMS, go to “Clients” select “View Businesses.” If the business is not already in GMS, you will need to input the clients business information (see GMS Help). For businesses in

GMS, find and click the business name and the “Loans” tab. The loans tab is connected to the business and will look like the image below:

The screenshot displays the San Francisco Mayor's Office of Housing and Community Development GMS interface. The top navigation bar includes 'Business', 'Principals', 'Employees', 'Loans', and 'View Clients'. The 'Loans' tab is active, showing a form for 'Loan (1)'. The form includes the following fields and options:

- Loan Amount:** 100
- Lender:** Conventional Institution (dropdown menu)
- Conventional Institution Name:** (text input field)
- Terms of Loan:**
 - Interest Rate:** 2.1
 - Use of Loan:**
 - Working Capital
 - Equipment
 - Inventory
 - Purchase Real Estate
 - Refinance Existing Debt
 - Marketing
 - Tenant Improvements
 - Other
- Loan Term (# of months):** 15
- Number of jobs created and/or retained as a result of the loan (# of full time-equivalent):** 30
- Date funded:** 9/1/2015

At the bottom of the form, there is a link: [Click here to add 'Loan'](#). A 'Save' button is located in the top right corner of the form area.

L/M Income Jobs Created and Retained

- To report on jobs created/retained for Low to moderate income people, you must obtain and collect information from the clients regarding employee family income. Grantees can only report on jobs created/retained within income ranges as defined in the *Employee Family Income Certification Form (ED Form 1)*.
- **Jobs Created:** this is the total numbers of new employment positions that have resulted from the technical assistance your agency has provided to a business client. Only full-time equivalent (FTE) jobs² are counted; this includes part-time employees that contribute toward a FTE. Seasonal and/or contractual jobs does count towards the total number of jobs created. See HUD Code 24 CFR §570.506(b)(5).
- **Jobs Retained:** This is the total number of jobs that were saved as a result of the assistance provided to the business by your organization. Without your assistance, the business was in danger of laying-off employees, closing down, or moving out of the area.

² A **permanent new job** is defined as a job classification that provides 1,750 hours a year of employment. However, full time equivalent jobs (FTE) are considered toward establishing a final job count. For example, two part time jobs of at least 875 hours per year each can count as one FTE job toward meeting the HUD public benefit standard.

For agencies reporting under L/M Income Jobs, HUD requires a description of the activities performed that kept the business from laying-off employees, closing or moving.

- Examples of clear and objective evidence include: **reasonable documentation of business' risk, commercial lease documents, financial records or other records provided by the business or other entities that clearly indicate the need for CDBG assistance to continue the business' operations in the jurisdiction.** The grantee should maintain documentation that supports the conclusion that without the infusion of the CDBG funds, the jobs would be lost. See 24 CFR §570.506(b)(5).
- For information on documenting the presumption of L/M income employees, see Section 24 CFR §570.208(a)(4)(iv) and (v). To document the presumption of a L/M income employees, use this mapping tool: <https://sfgov.maps.arcgis.com/CDBG/eligibility>

Learn more about using the mapping tool by contacting your OEWD grant coordinator.

Other Required Documents for Economic Development CDBG Grantees

In addition to the Mayor's Office of Housing and Community Development (MOHCD) ["Grantee Document Checklist"](#) and ["Operating Procedures Manual,"](#) Economic Development CDBG grantees are also required to keep specific program documents per the fiscal year.

The following documents and templates can be found in <http://sfmohcd.org/community-development-forms-and-documents>. Please check periodically as updates are made each fiscal year.

- ED Form 1- OEWD Employee Family Income Certification Form (if reporting on Job Creation)
- Business Services Client Engagement Agreement
- Form H – Request for approval of Subcontract and Equipment Purchase (if applicable)
- Form I – Bids and contracts database Information Form (if applicable)
- Maintain client files reported in the Grant Management System (GMS)
- Citywide Fiscal and Compliance Monitoring Form (Required for monitoring site visits)

If you have any questions regarding your program area activities, please contact your grant manager.