**CDBG LOAN PROGRAM (CLP)**

**COVID-19 RESPONSE**

**JOB RETENTION FUNDING INITIATIVE APPLICATION**

**FOR JOB CREATION CONVERSION TO JOB RETENTION**

*This is a fillable Word document. Please use the tab key to advance through document or click in the field. Complete the CLP Application in its entirety and submit via email to the CDBG Loan Specialist with all required attachments.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **UNIT OF GENERAL LOCAL GOVERNMENT (UGLG) IDENTIFICATION SUMMARY** | | | | |
| **IDENTIFICATION OF UGLG** | | **FUNDING SOURCES**  **(if multiple properties, include all)** | | |
| Business Name  Business Address  DUNS # (REQUIRED) |  | CDBG RLF | **$** | |
|  | | UGLG | **$** | |
| Private | **$** | |
| List Other | **$** | |
| List Other | **$** | |
| List Other | **$** | |
| **TOTAL** | **$** | |
| # of FTEs |  | |
| Must not exceed $35,000 per FTE | | |
|  | | |
| **STATE GOVERNMENT REPRESENTATION** | | | | |
| Senator Name |  | Senate District | |  |
| Representative Name |  | House District | |  |
| **FEDERAL GOVERNMENT REPRESENTATION** | | | | |
| Representative Name |  | Congressional District | |  |

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| --- | --- | --- |
| **CLP FUND** | Available Balance | $ |
| Less This Loan | $ |
| New Balance | $ |

**JOB RETENTION INITIATIVE**

**OVERVIEW**

**Purpose**

The intended purpose of the CDBG Loan Program (CLP) COVID-19 Response Job Retention Initiative is to provide loans to eligible businesses to meet a National Objective of job retention. Regionalized and Local fund managers will administer the loan programs for select communities throughout the state.

**HUD Requirements**

For an activity that retains jobs, there must by documentation that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51% of the jobs at the time the CDBG assistance is provided:

1. The jobs are known to be **held by** low to moderate income (LMI) persons (include currently employed or temporarily laid off); OR
2. The job can reasonably be expected to **turn over** within the following two years and that steps will be taken to ensure that it will be filled by, or **made available to**, LMI persons upon turnover

Jobs that are not held or filled by a LMI person may be considered to be made available to LMI persons for these purposes only if:

1. Special skills that can only be acquired with substantial training or work experience or education beyond high school are **not** a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; **AND**
2. The recipient and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs.

**Funding**

Minimum loan amount of $20,000 and up to $35,000 per **retained** Full Time Equivalent (FTE) position.

An FTE is defined as a (1) permanent full-time employee (35 hours or more per week) **and** (2) the total hours of part-time employees (34 hours or less per week) divided by 40. **The sum of (1) and (2) equals the total FTEs**.

**Eligible Activities**

* Machinery / Equipment
* Working Capital including, but not limited to, inventory, marketing, payroll, cash reserve, short-term debts, miscellaneous day-to-day business expense, unforeseen or unpredictable expense.

**Application Process**

1. Complete CLP Application.
2. Complete Environmental Review.
3. Complete Background Check process.
4. UGLG, RLF or RLFA independently performs financial underwriting and due diligence.
5. The Initial Public Hearing, Public Notice, Resolution and Certification by the Applicant, may be delayed 60 days from loan closing, if necessary. UGLGs are given the option of suspending in-person public hearings and instead holding virtual public meetings with notice of at least 5 days.
6. Upon completion, review and approval of application and financial due diligence, an approval letter may be provided by CDBG CLP Specialist.
7. Loan closed and funds able to be disbursed.

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| **JOB RETENTION** | | |
| 1 | Yes  No | The business is currently in **operation**. |
| 2 | Yes  No | The business has **ability to make loan payments** pursuant to loan terms. |
| 3 | Describe how the COVID-19 pandemic has **negatively** affected your business. | |
| 4 | Evidence that **without CLP funds**, jobs will be lost. | |
| 5 | Yes  No | The business has provided Income Certifications for all employees designated to be retained as set forth in Attachment D. Income Certifications are required to determine LMI percentage for job retention. |
| 6 | For funded activities which retain jobs, **check one or both** of the following which is anticipated to apply to at least 51% of the jobs:  The jobs are known to be **held** by LMI persons (include currently employed or temporarily laid off), OR  The job can reasonably be expected **to turn over** within the following 2 years and that steps will be taken to ensure that it will be filled by, or **made available to**, LMI persons upon turnover.  Jobs that are not held or filled by a LMI person may be considered to be made available to LMI persons for these purposes only if:  a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; AND  b) The recipient and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs. | |
| 7 | Enter the number of jobs expected to **turnover to LMI persons** within the next 2 years for each employment category below, if applicable.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Official or Manager |  | Sales |  | Operative (semi-skilled) | |  | Professional |  | Office or Clerical |  | Laborer (unskilled) | |  | Technical |  | Craft Worker (skilled) |  | Service Worker | | |
| 8 | Describe the basis for assumption of turnover for the positions that can reasonably be expected **to turn over** within the following 2 years. | |
| 9 | For positions that turn over, describe and justify how at least 51% of jobs will be made available to LMI persons. | |
| 10 | Enter the number of jobs which will be **made available to LMI persons** for each employment category below, if any:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Official or Manager |  | Sales |  | Operative (semi-skilled) | |  | Professional |  | Office or Clerical |  | Laborer (unskilled) | |  | Technical |  | Craft Worker (skilled) |  | Service Worker | | |
| 11 | Check each applicable employment category for which jobs **require special skills or education**, if any:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Official or Manager |  | Sales |  | Operative (semi-skilled) | |  | Professional |  | Office or Clerical |  | Laborer (unskilled) | |  | Technical |  | Craft Worker (skilled) |  | Service Worker | | |
| 12 | Check each applicable employment category for which jobs are **part-time**, if any:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Official or Manager |  | Sales |  | Operative (semi-skilled) | |  | Professional |  | Office or Clerical |  | Laborer (unskilled) | |  | Technical |  | Craft Worker (skilled) |  | Service Worker | | |
| 13 | Will any of the jobs listed **require substantial training** or work experience or education beyond high school that may preclude LMI persons from filling these positions? If so, check the job titles.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Official or Manager |  | Sales |  | Operative (semi-skilled) | |  | Professional |  | Office or Clerical |  | Laborer (unskilled) | |  | Technical |  | Craft Worker (skilled) |  | Service Worker | | |
| 14 | If the company has listed job titles in the previous question, what **special efforts** will the company take to “fill” these jobs with LMI persons, such as hiring unqualified persons and providing them with training? | |
| 15 | Describe steps the business will take to ensure LMI persons receive first consideration for jobs. | |
| 16 | The business will use the following **special recruitment efforts** to ensure the employment of LMI applicants.   |  |  |  |  | | --- | --- | --- | --- | |  | EDC Assistance |  | **type in other effort here** | |  | Local Advertising |  | **type in other effort here** | |  | Michigan Works |  | **type in other effort here** | | |
| 17 | Yes  No | All **contracts** the business has with Michigan Works or similar entity is attached.  If none, describe any efforts taken or to be taken. |
| 18 | Yes  No | The business agrees to be **timely** for all required job retention reporting as set forth by MEDC. |
| 19 | Yes  No | The business understands that an Income Certification form is required to be completed by **all** job applicants during the Term of Work for this project. |
| 20 | Yes  No | The business understands that at least 51% of jobs are to be **held by** or **made available to** LMI persons. |

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| **UGLG CAPACITY AND CONFLICT OF INTEREST** | | |
| 21 | Yes  No  NA | Does the applicant have any **outstanding CDBG grants or loans** that have not been drawn down?  If yes, describe: |
| 22 | Yes  No  NA | Will local officials and staff be a party to any **contract involving the procurement of goods and services** assisted with CDBG funds?  If yes, describe: |
| 23 | Yes  No  NA | Will any person who is an employee, agent, consultant, officer, elected or appointed official of the UGLG obtain **a financial interest or benefit** from a CDBG assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or in the proceeds hereunder, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter?  If yes, describe: |
| 24 | Yes  No  NA | **UGLG** will adhere to HUD, CDBG and MEDC rules, regulations and Grant Administration Manual requirements, policies, procedures and reporting requirements. |
| 25 | Yes  No  NA | **Fund Manager** will adhere to HUD, CDBG and MEDC rules, regulations and Grant Administration Manual requirements, policies, procedures and reporting requirements. |
| 26 | Yes  No  NA | **UGLG and Fund Manager** have read the Definitions and Instructions to Attachment D, **Estimated Employment Creation and/or Retention Form**, and understand how to calculate and report Full-Time Job (FT) and Full-Time Equivalent Job (FTE) jobs for the base number of Existing Jobs and the number of Jobs to be Created. (An updated Attachment D is required to be submitted with the Request to Close memo).  *NOTE: Owners cannot be considered employees and/or counted in the base number. The business owner(s) is/are essentially the first employee(s) of a business and their position(s) existed prior to coming in for a grant or loan.* |
| 27 | Yes  No  NA | **For Regionalized**, the loan committee is comprised of no less than 5 individuals with the following attributes:  1. One **attorney** with experience in legal advice related to loans and lending;  2. One individual who past/currently engaged in **commercial banking**;  3. At least one individual engaged in **economic or community development** for at least 5 years;  4. One seat shall be provided for an **elected local community representative** from where the loan project is located; and  5. One seat shall be provided for an **economic development professional active in the geographic area** where the loan project is located that is selected by the local community representative who is part of the Loan Approval Committee.  6. Additionally, the **MSF** shall have one non-voting seat on the Loan Approval Committee. |

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| **PROJECT DESCRIPTION** | | |
| 28 | Provide a clear and concise **description of the overall proposed project** including all work activities, number of businesses/properties involved, the type of assistance needed and why: | |
| 29 | **Check all that apply** and/or will occur for this project:  Comments: | |
|  | **National Objective**  Benefit persons of low/mod income  Job Creation  Job Retention, Covid-19 Response  **Interest Rate**  2.00% over Wall Street Journal Prime OR  5.99% or higher OR  Justification provided in Financial Memorandum  **Term**  Working Capital - Maximum 18 initial months followed by 12 months  Permanent Working Capital - Maximum term and amortization of 36 months.  Equipment - Maximum term of 10 years or the appraised useful life, whichever is shorter. Maximum amortization of 10 years.  Exceptions shall require unanimous support by the Loan Approval Committee of the CRLF or RLFA.  **Budget**  Other funding sources in project  **Anticipated Environmental Review**  Exempt  Categorical Exclusion Not Subject To (CENST) | **Business**  Seasonal Employer  Open year round  Open year round but hires additional staff in the  spring  summer  fall  winter  New business - no current staff  New business location – no current staff  New business location – staff transferring from another location  **Job Activities**  NA  Constructions activities for building built 1978 or prior  Construction activities with residential or common areas  Construction activities (ex: use of hammer and shovels, equipment installation, any digging, etc.)  Electrical  Plumbing  Change in building footprint  Equipment installation will require major construction  Equipment installation will require minor construction  Equipment is plug and play only  Davis Bacon required – construction contract over $2,000  Davis Bacon required – installation cost is more than 20% of equipment cost |

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| **PROJECT SCHEDULE** | |
| 30 | Provide an overall **project schedule** that includes the anticipated start and completion dates.  *NOTE: When completing the schedule, please refer to Application Guide with regard to when project costs can be incurred. This schedule will be incorporated into the Loan Exhibit with the UGLG.*   |  |  |  | | --- | --- | --- | | **ACTIVITIES** | **START DATE** | **END DATE** | | Engineering and/or Design |  |  | | Property Acquisition |  |  | | Bidding |  |  | | CDBG-funded Activities |  |  | | UGLG-funded Activities |  |  | | Other-funded Activities |  |  | | Job Creation |  |  | |

**CERTIFICATION**

The undersigned are the authorized representatives and certifies that the information contained herein is accurate. The undersigned further certifies that, at a minimum, any new employment or retained employment will meet the 51% low- to moderate-income family benefit requirement of the State of Michigan CDBG Program.

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| --- | --- |
| **BUSINESS** | |
| Signature |  |
| Name and Title |  |
| Date |  |

|  |  |
| --- | --- |
| **UGLG AUTHORIZED OFFICIAL** | |
| Signature |  |
| Name and Title |  |
| Date |  |

**ATTACHMENT A – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT B – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT C – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT D**

**ESTIMATED EMPLOYMENT CREATION AND/OR RETENTION FORM**

The project is qualified based on the Job Retention National Objective and at least 51% of the beneficiaries must be low- and moderate-income persons.

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| --- | --- | --- | --- |
| UGLG |  | Project Name |  |
| Business |  | Contact Name |  |
| Street Address (not POBox) |  | Contact Title |  |
| City State Zip |  | Phone # |  |
| DUNS # |  | Fax # |  |
| LARA # |  | Email Address |  |

**IMPORTANT**: Read definitions and instructions on the following page for requirements on how to calculate and report Full-Time Job (FT) and Full-Time Equivalent Job (FTE) jobs. An updated form is required to be submitted with the Request to Close memo.

*NOTE: Owners cannot be considered employees and/or counted in the base number. The business owner(s) is/are essentially the first employee(s) of a business and their position(s) existed prior to coming in for a grant or loan.*

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|  | **EXISTING JOBS (BASE #)** | | | **JOBS TO BE CREATED/RETAINED** | | |
| **EMPLOYMENT CATEGORY** | **NUMBER OF**  **EXISTING PERMANENT**  **FT JOBS** | **NUMBER OF HOURS FOR**  **EXISTING PERMANENT**  **FTE JOBS** | **AVERAGE HOURLY WAGE OF EXISTING JOBS** | **NUMBER OF PERMANENT**  **FT AND FTE JOBS TO BE CREATED** | **NEW HIRES LOWEST STARTING HOURLY WAGE** | **NEW HIRES AVERAGE STARTING HOURLY WAGE** |
| Official or Manager |  |  |  |  |  |  |
| Professional |  |  |  |  |  |  |
| Technical |  |  |  |  |  |  |
| Sales |  |  |  |  |  |  |
| Office or Clerical |  |  |  |  |  |  |
| Craft Worker (skilled) |  |  |  |  |  |  |
| Operative (semi-skilled) |  |  |  |  |  |  |
| Laborer (unskilled) |  |  |  |  |  |  |
| Service Worker |  |  |  |  |  |  |
| **TOTALS** |  |  |  |  |  |  |
| List Fringe benefits to be provided for created jobs: | | | | | | |
| **AUTHORIZED COMPANY OFFICIAL** | | | | | | |
| Certification is made that the above data is the most accurate available based on current information and knowledge. | | | | | | |
| Signature: | | | | Date: | | |
| Name: | | | | Title: | | |

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| **DEFINITIONS AND INSTRUCTIONS** | |
| **Full-Time Job (FT)** - An employee who has 2,080 hours of paid employment on an annual basis or one that is paid for 35 or more hours per week.  **Full-Time Equivalent Job (FTE) (Part Time)** – A combination of employees that individually have less than 2080 hours of paid employment on an annual basis or work less than 40 hours per week, and are converted to full-time equivalent (FTE) jobs by dividing the total annual part-time hours worked by 2,080 hours or dividing the total weekly part-time hours worked by 40 hours.  **New Job** - A new FT or FTE permanent job that did not exist prior to this project and came about as a result of this project. The jobs are intended to be permanent and sustainable. Jobs that exist prior to the start of the project or result independently from the project will not be considered. | |
| **Number of Existing Permanent FT nd FTE Jobs** - Identify the present number of all FT and FTE permanent private sector jobs and the average hourly pay rate of existing jobs.  **Permanent FT and FTE Jobs To Be Created** - Identify the number of new FT or FTE jobs that **did not** exist prior to this project and came about as a result of this project. The jobs to be created are intended to be permanent and sustainable. Jobs that exist prior to the start of the project or result independently from the project should not be considered. | |
| **Employment Category Definitions:** | |
| Official or Manager | Occupations requiring administrative personnel who set broad policies, exercise overall responsibility for execution of these policies and direct individual departments of special phases of a firm’s operations. |
| Professional | Occupations requiring either college graduation or experience of such kind and amount as to provide a comparative background. |
| Technical | Occupations requiring a combination of basic scientific knowledge and manual skills which can be obtained through approximately 2 years of post-high school education, such as is offered in many technical institutions and junior colleges, or through equivalent on-the-job training. |
| Sales | Occupations engaging wholly or primarily in sales. |
| Office or Clerical | All clerical-type work regardless of level of difficulty, where the activities are primarily non-manual. |
| Craft Worker (skilled) | Manual workers of relatively high skill level having a thorough and comprehensive knowledge of the processes involved in their work; exercise independent judgment and usually require extensive training. |
| Operative (semi-skilled) | Workers who operate machines or processing equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require limited training. |
| Laborer (unskilled) | Workers in manual occupations which generally require no special training. |
| Service Worker | All workers in service type industries. |

**ATTACHMENT E – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT F – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT G – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT H – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT I – SUBMITTED WITH JOB CREATION APPLICATION**

**ATTACHMENT J – SUBMITTED WITH JOB CREATION APPLICATION**