

Collective Real Estate Ownership (CREO) Grants Funding Guidelines

The Miami Foundation's core mission is to build a stronger, more equitable and resilient Miami. Through the Open for Business program, the Foundation is **supporting historically underserved small businesses and nonprofits to build resilience and generational wealth.**

Funded with a \$20 million grant from Wells Fargo, The Miami Foundation and financial partner, Partners for Self Employment, will **distribute grants and loans to nonprofits and small businesses across Miami-Dade County to support their acquisition of critical assets, such as technology, equipment, machinery, inventory, and property.** Ultimately, the program aims to ensure that historically underserved and underinvested entrepreneurs have a fair chance to build prosperity in the Miami they helped create.

FOCUS AREAS

Through the **Miami Open for Business program**, the Foundation and implementation partner, Partners for Self Employment, a local community development financial institution (CDFI), will award grants and loans to **historically underserved (i.e., Black, Latino, LGBTQ, veteran, or person with disabilities)** small businesses and nonprofits in varying amounts through three core financial products:

- 1. Microgrants for Technology and Equipment (\$100 - \$20,000):** Funding to support the acquisition of technology, such as hardware and software, including subscriptions and licensing and machinery, equipment, tools, and related assets. A total of approximately \$800,000 will be awarded annually to 40-60 organizations.
 - Nonprofits apply through [The Miami Foundation](#).
 - For-profit businesses apply through [Partners for Self Employment](#).
- 2. Asset Building Loans for Entrepreneurs (ABLE) (\$5,000 - \$100,000):** Low-interest, patient financing to support the purchase of vehicles, inventory (i.e., contract financing), to finance a remodel/renovation, business succession, or co-op conversion. A total of approximately \$2 million will be lent annually to 30-50 organizations.
 - Both nonprofits and for-profits apply through [Partners for Self Employment](#).
- 3. Collective Real Estate Ownership (CREO) (up to \$500,000 per proposal):** Funding to a collaborative or partnership to facilitate the purchase of shared commercial real estate in select Miami-Dade neighborhoods. Funding can be used to cover down payment and associated transaction costs. A total of approximately \$2.2 million will be awarded annually to 4-6 partnerships.
 - Collaboratives apply through [The Miami Foundation](#).

This funding guidelines document is specific to Collective Real Estate Ownership funding.

FUNDING PRIORITIES

Applications for funding through Miami Open for Business will be scored against the following criteria and awarded to organizations that meet these core funding priorities:

- Represent a **historically underserved community**; i.e., business is owned and operated by a Black, Indigenous, Latino proprietor and/or serves a predominantly Black, Indigenous, Latino community. Additional consideration will be given to business owners who identify as LGBTQ+, a person with disabilities and/or a military veteran.
- **Serve the community**; i.e., organization provides a service or good that benefits and brings value to the local neighborhood (businesses in ‘sin’ industries, such as alcohol, firearms, adult industry, or that focus exclusively internationally are ineligible to apply).
- Have **strong organizational** and **financial capacity**; i.e., organization can effectively steward and deploy funding; business has sufficient cash flow and projected revenue or fundraising to continue operating. Organization is properly incorporated and has accurate and updated registration information.
 - » In the case of collective real estate ownership grants, organizations will be prioritized in early rounds of funding if they have pre-existing lender relationship and/or are pre-approved for a mortgage.
 - » Technical assistance resources will be provided in later funding rounds to help applicants prepare to apply for collective real estate ownership grants.
- Are **employer firms** that offer **quality jobs**; i.e., organization provides employment opportunities by retaining staff and/or consultants. Quality jobs include those that offer at least a living wage (approximately \$18/hour in Miami-Dade County), fringe benefits, prioritize employing residents from the adjacent community, and prioritize hiring individuals from marginalized backgrounds, etc.
 - » Sole proprietorships are not eligible to apply for this funding opportunity.
- Will use the funding to **transform trajectory**; i.e., organization is committed to deploying funding in such a way that positively influences the organization’s growth potential.
- Located in an **underserved neighborhood**; for this shared commercial real estate grant opportunity, applications will only be awarded to organizations located in the following communities:
 - » Allapattah
 - » Homestead and Florida City
 - » Liberty City and Little Haiti
 - » Miami Gardens and Opa Locka
 - » North Miami and North Miami Beach
 - » Overtown
 - » Richmond Heights and West Perrine
- Provide **equity contribution**; i.e., collaboratives that can bring additional funds to supplement and/or match funding from Miami Open for Business will be prioritized.

CREO FUNDING DETAILS

Eligibility

Eligible collective real estate grant applicants should be a **collaborative** of more than one organization. Collaborative members can include **501(c)(3) public charities** and **governmental entities** serving Miami-Dade County, organizations with an existing relationship with a **501(c)(3) fiscal sponsor**, or **for-profit small businesses** (e.g., LLC, S or C corp, etc.).

- » Please note: grant recipients incorporated as a for-profit business will receive a tax Form 1099 for any funding provided under this program. All taxes associated with the acceptance and/or use of funding through this program are the sole responsibility of the individual recipient. Prospective applicants are advised to consult with their own tax professionals and/or legal counsel to ascertain the tax impact of funding that may be provided under this program.

An eligible collaborative and its constituent businesses must be owned or operated by an individual(s) from a **historically underserved background** and must be in operation for **at least 2 years**. In addition, the proposal subject location **must be located in one of the following communities**:

- » Allapattah
- » Homestead and Florida City
- » Liberty City and Little Haiti
- » Miami Gardens and Opa Locka
- » North Miami and North Miami Beach
- » Overtown
- » Richmond Heights and West Perrine

Grant Purpose and Use of Funds

The purpose of this funding opportunity is to support collective property acquisition in **strategic Miami-Dade neighborhoods** by providing recoverable funding to cover **down payment and select closing costs for shared commercial real estate**. The property must be used for commercial or majority commercial (mixed-use) purposes.

The grant will cover **up to 20% of the purchase price** as well as select **realty, mortgage, and closing fees**, provided the grant amount requested **does not exceed \$500,000**. The grant recipient(s) will be expected to **secure additional financing** to secure the purchase. Funding will be disbursed to the closing or title agent at the conclusion of the transaction to facilitate the purchase for the applicant collaborative. Funding will not be disbursed directly to grant applicants. Recipients should be prepared to pay select transaction costs out of pocket, including inspection and appraisal fees, and earnest money deposit. Applicants must complete a detailed budget request as part of the funding application.

Grant funding may **not** be used to cover other operational expenses, such as payroll, overhead, rent for an existing location, debt servicing, etc. In addition, grant funding may not be used to fund items covered by other Miami Open for Business funding opportunities, such as technology, machinery, tools, vehicles (trucks, vans, forklift, etc.), inventory, or remodeling.

Funding will be disbursed at the property closing, issued in the format of a **performance-based recoverable grant**. Up to 100% of the grant amount will become forgiven over the 5-year grant period

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as certain conditions are met, including protective provisions against reselling the property within a set number of years, ensuring a minimum number of quality jobs are associated with the tenants, and that a shared ownership model is instituted. The recoverability schedule will be executed with the grantee subsequent to award notification, aligning with the project's specific timeline.

A lead applicant must apply on behalf of a **collaborative**, comprised of at least 2 or more entities, with priority given to transactions with a larger number of enterprises and/or that employ a greater number of quality jobs.

Eligible collective ownership models include:

- A nonprofit or government agency purchases the facility as the steward of a *community land trust* and offers lease-to-own opportunities or shares to businesses;
- A *shared space*, such as a food hall, coworking space, or boutique, wherein there are opportunities for individual businesses to lease or purchase their stall;
- A *joint tenancy* or *tenancy in common* purchase agreement wherein ownership rights are divided among more than one party during the sale;
- *Co-operative ownership* model, wherein businesses purchase the right to shares of the overall property.

Applicants will be asked to detail the shared ownership model and governance plan for the subject property, in addition to providing a roster of participant businesses.

Grant Size and Duration

Final grant award amounts will vary, depending on the volume of proposals received and the proposed use case for each subject property. Grants will be awarded as a 5-year grant, **not to exceed \$500,000 total**. Please note, not all grant awards will be fulfilled at the full amount requested.

Grant Reporting Expectations

If awarded, grant recipients will be expected and prepared to provide regular reporting and progress updates throughout and subsequent to the transaction process. Grant recipients will also be asked to provide additional information about how the asset purchase impacted their business (i.e., staff retention or growth, increase in revenue, sales, or donations, etc.). Funding for this opportunity will be governed by a recoverability schedule to ensure grantee abides by grant conditions – if conditions are not met, funding is subject to be repaid to the Foundation.

Application Process and Timeline

Applicant collaboratives must submit a proposal and [budget using the template provided](https://miamiopenforbusiness.submittable.com/) online via Submittable at <https://miamiopenforbusiness.submittable.com/>. Each collaborative may submit **only one proposal** per funding cycle. We will offer two funding cycles each year for the next two years.

- *Funding guidelines released:* Thursday, October 6th, 2022
- *Informational office hours:* Tuesday, October 18th, 2022 or Thursday, October 20th, 2022
- *Full proposals due:* Monday, November 28th, 2022 by 11:59pm EST
- *Finalist interviews:* Early December 2022
- *Award decisions:* December 2022

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Information Sessions

Prospective applicants are invited to join us to learn more about the program and get your questions answered. Register to attend one of two virtual information sessions by clicking the links below. All informational sessions will be recorded and uploaded to our website for later access.

- Tuesday, October 18th from 12:00-1:30pm EST – [register here](#)
- Thursday, October 20th from 10:00am-11:30am EST – [register here](#)

Questions

On our website, you will find a document containing answers to commonly asked questions. If, after reviewing, you have any additional questions, please email our shared inbox at openforbusiness@miamifoundation.org.

CREO FUNDING APPLICATION QUESTIONS

Introductory Information

To apply, the lead organization, on behalf of the collaborative, will provide basic contact information, as well as organizational details, including mission, annual operating budget, staffing details, and core demographic information for the lead applicant organization's leadership (i.e., majority owner, CEO, or Executive Director).

Proposal Questions

1. Project Overview | Describes the subject property location, current status, and plans.

- Please describe the current site and your future plans for its use. For example, is the site currently an unoccupied building, warehouse, office space, restaurant, hotel etc.? What are your plans for occupation and use? (max 500 words)
- What additional activities would be needed to take the subject property from closing to occupancy? For example, demolition, renovations, recruitment for tenancy, etc. Please include specific timeline milestones as relevant. (max 500 words)

2. Collaborative Overview | Describes the proposed shared ownership model and collaborative of nonprofits and/or small businesses to occupy the subject property, including a roster of proposed occupants.

- Please describe your governance plan for instituting the shared ownership model. I.e., How will businesses be given the opportunity to lease/own their share? What procedures will govern future sales, and how will future market rates be determined? (max 500 words)
- Please list the organizations and/or companies that are projected to occupy the subject property.
- Does the collaborative already have a working relationship with a Mortgage lender? Realtor or real estate agent? Real estate attorney or legal counsel? Property insurance agent? Tax advisor?

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3. Financial Overview | Describes the subject property price, request for funding, plans to secure financing, estimated monthly payment, and estimated rental income.

- Has your project already secured a mortgage pre-approval and/or executed purchase agreement? If not, is your organization prepared to secure mortgage financing? (max 500 words)
- How will your organization fund the remaining purchase price on the subject property?
- How much is your collaborative prepared to contribute towards the down payment and transaction costs? Please consider appraisal and inspection fees in your estimate. (number)
- What is the monthly mortgage payment, including insurance and taxes, that the collaborative is prepared to pay? (number)
- How much in monthly rental income do you project that the collaborative members will produce? (number)

4. Impact Overview | Describes the proposed economic impact and metrics associated with acquiring the subject property.

- How will the surrounding community benefit from your acquisition of the subject property? (max 500 words)
- How many total jobs, in full-time equivalent (FTE), do you anticipate filling through the project site? (number)
- What other economic impacts do you anticipate experiencing as a result of obtaining the shared commercial real estate? Please identify specific indicators or metrics that you foresee being able to obtain as a result of the grant, such as # of jobs preserved and/or created, # of quality jobs with benefits created, increases in sales or revenue, etc. (max 500 words)

5. Initial Due Diligence | If your organization indicates yes to any of the following questions, you will be asked to provide explanation.

- Has your organization ever been under audit or had an inquiry (formal or informal) from any tax or regulatory authority?
- Has your organization's public charity status ever been revoked by the IRS and/or has your public charity's state tax exemption (such as sales/use tax, property tax, etc.) ever been revoked or suspended?
- Has your organization's business tax license and/or certificate of occupancy ever been revoked or suspended?
- Is your organization subject to any threatened or ongoing litigation?
- If your organization has audited financial statements, considering your last three audited financial statements, have you received a qualified opinion?
- Has your organization been the subject of any negative press or media attention?

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Required Attachments

Please provide in PDF format.

Project Documentation

- Completed project timeline with key milestones
- Completed grant proposal line-item budget, [using the template provided](#)

Organizational Documentation

- Resume or biography for lead of each collaborative member
- Copy of lead applicant's business plan (for-profit) or organizational strategic plan (nonprofit)
- Copy of Form 990, W-9, business tax license
- Proof of entity incorporation and formation documents
- Copy of lead applicant's List of Board of Directors

Financial Documentation

- Copy of latest financial statement(s) and operating budget
- Copy of cash flow projections and/or profit & loss statements
- Copy of mortgage pre-approval and/or purchase agreement, if available

(Optional) **Supplemental Information** | Share any other materials you would like to add to best communicate your organization and proposed work. This may include images, videos, letters of support, or media.