Microgrant and ABLE Loan Informational Session 1 of 4

Tuesday, October 10th, 2022

This session will be recorded and uploaded to our website. Additional info sessions with the same information will be presented on 10/12, 10/20 and 10/25.
Program Goal

- We aim to support historically underserved small businesses and nonprofits in Miami-Dade County build resilience and generational wealth through the purchase and ownership of critical business assets, such as technology, equipment, machinery, inventory, and property.

- Funded by a $20M grant from Wells Fargo devoted to asset building
  - Program runs through 2024
  - Miami is implementing the program alongside 4 other US communities
  - To support with lending, Miami selected Partners for Self Employment through a competitive RFP process
Agenda for Today’s Session

- We will spend the first 15 minutes **presenting** core details about the program, which may answer your questions

- Then we will open it up for **Q&A**

  » If you have **specific questions** about your business or proposal, email us:
    • Nonprofits: openforbusiness@miamifoundation.org
    • For-profit: openforbusiness@miamiofloans.org

  » When asking, please clarify if your question is **technical** (website, interface, etc.) or **programmatic** (funding, eligibility, etc.)
OFB offers Three Core Financial Products

**Microgrants for Technology and Equipment**
Grants between $100-20K for nonprofits and small businesses to purchase hardware, software, machinery, and equipment. An annual total of ~$800,000 will be awarded to 40-60 organizations.

**Asset Building Loans for Entrepreneurs (ABLE) Fund**
Low-interest, patient financing from $5K-$100K to buy vehicles or inventory, renovate space, refinance predatory debt, succession financing, or co-op conversion. An annual total of ~$2 million will be lent to 30-50 organizations.

**Collective Real Estate Ownership (CREO) Funding**
Down payment and closing cost assistance up to $500K for shared commercial real estate in historically underinvested neighborhoods and corridors to root community businesses and nonprofits. An annual total of ~$2.2 million will be awarded to 4-6 partnerships.
Application Process

Seeking a microgrant?
- Nonprofit organization: TMF OFB Submittable
- For-profit business: PSE MiamiOFBLoans.org portal

Seeking an ABLE loan?
- Regardless of business type: PSE MiamiOFBLoans.org portal
Common Application Questions

Can I apply for more than one type of funding?
- **Yes**, in any cycle, you can apply for a microgrant, a loan, and/or collective real estate funding
- However, once you receive funding, you cannot apply within that category again

If I am not awarded in this round, can I re-apply?
- **Yes**, if not selected, you can reapply in future application rounds
- We will offer 2 funding cycles a year each year for the next 2 years!

Can I apply for more than 1 use case in a grant or loan?
- **Not** at this time, to maximize funding as many organizations as possible

Which opportunity should I apply for first?
- The microgrant has a **fixed deadline** of 11/7, while the loan fund accepts applications on a **rolling basis** through 12/1, or until annual funding allocations have been met
Basic Eligibility Requirements

- Small **nonprofit** organizations or **small businesses** located in and serving Miami-Dade County

- Owned or led by an individual(s) from a **historically underserved** background (i.e., Black, Latino, LGBTQ+, veteran, person with disabilities)

- Been in existence for **at least 2 years**

- Annual gross revenue or operating budget of **$1 million or less**
## Scoring and Review Criteria

### Represent a historically underserved community
- Organization is owned and operated by a Black, Indigenous, Latino proprietor
- Additional consideration to LGBTQ+, person with disabilities and/or military veteran

### Serve the community
- Organization provides a service or good that benefits and brings value to the local neighborhood
- Businesses in ‘sin’ industries or that focus exclusively internationally are ineligible

### Have strong organizational and financial capacity
- Organization can 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

### Employer firms that offer quality jobs
- 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 adjacent community, and individuals from marginalized backgrounds, etc.
- Sole proprietorships are still eligible, though less likely to receive funding

### Use the funding to transform trajectory
- Organization is committed to deploying funding in such a way that positively influences the organization’s growth potential

### Priority points awarded to organizations located in underserved neighborhoods
- While not required, extra consideration will be given in the review process
Priority Neighborhoods

- Organizations from outside these neighborhoods are still eligible to apply for Microgrants and Loans!

- We will assign priority points to proposals from these areas during the review process:
  - Allapattah
  - Homestead and Florida City
  - Richmond Heights and West Perrine
  - Overtown
  - Liberty City and Little Haiti
  - Miami Gardens and Opa Locka
  - North Miami and North Miami Beach
Need support working on your application?

- The **Partners for Self Employment** team can help with your microgrant / loan application and preparing attachments
  - Schedule a 15 min appointment to work with a loan counselor

- Beginning in 2023, Open for Business will have devoted technical assistance (TA) resources in place

- Until then, reach out to work with one of these **providers:**
  - Miami Dade Small Business Navigator, led by FIU
  - Prospera
  - Branches
  - Catalyst Miami
Be sure to access all of the flyers and resources on our website!

Available in Spanish and Haitian Creole: MiamiOpenforBusiness.org
Microgrants for Technology and Equipment Details

▪ One year grant between $100 - $20,000
▪ Deadline to apply for this cycle is **Monday 11/7**

▪ Technology includes both:
  - Hardware (e.g., laptops, routers, cameras, printers, copy machines, etc.)
  - Software (e.g., subscriptions and licenses for products like QuickBooks, Microsoft, Square, etc.)

▪ Equipment and machinery refers to fixed assets that can be deployed in the business, such as food & beverage prep and production, manufacturing tools, cleaning equipment, etc.
Microgrants for Technology and Equipment Proposal Questions

Nonprofit Applicants

1) Purpose | Describe in two to three sentences the proposed use of funds. Please include detail on the items you plan to purchase, how you will acquire them, and deploy them in your organization.

2) Impact | What impact do you anticipate having as a result of buying this technology or equipment? Please identify specific indicators or metrics (e.g., # of jobs/staff preserved and/or created, # of quality jobs with benefits created, increased revenue, etc.) you foresee obtaining as a result of the grant.

3) Vision | Where is your organization now and what is your future vision for growth? How would this funding help your organization reach future goals?

4) Social Impact or Benefit | Does your organization provide any exceptional social, environmental, health or other benefits to the community in which you work? Please describe.

For-Profit Applicants

1) Background | Briefly describe your business. Include a description of the product or service you are selling, a description of your target market (customer) including how they benefit from the product or service, and a description of your staff, team, or consultants and your plan to hire if you need to add human capital.

2) Purpose | Describe how you will be investing the funds you are applying for. Include a description of the asset and its use within your business, how the asset will increase or enhance your business, your plan for meeting increased demand, how you will reach new or additional customers, and how having this asset will help your business reach future goals.

3) Social Impact or Benefit | Please describe impacts of this funding beyond the acquisition of the asset. Include new jobs to be created, existing jobs to be retained, benefits to staff not previously available, climate implications, and increased community access to goods and services.
Microgrants for Technology and Equipment Documentation

- Nonprofit applicants:
  - Annual operating budget
  - If funded: Form 990 and W-9

- For-profit applicants:
  - Proposed use of funds with vendor estimate
  - Financial projections*
  - Business income tax return*
  - Employee roster*

*Templates can be found on MiamiOFBLoans.org website
ABLE Loan Fund Details

- Loan between $5,000 - $100,000
- 1 to 5 year repayment period
- 3% interest for small businesses; 0% interest for nonprofit organizations
- Applications accepted on a rolling basis through 12/1, or until annual fund allocations are met
- For many loans, funding will be disbursed directly to vendor on behalf of borrower to facilitate purchasing

Create an account and apply through Partners for Self Employment’s portal at: MiamiOFBLoans.org
ABLE Loan Fund Purposes

Vehicle purchase
- Finance the purchase of a truck, van, bus, trailer, forklift, etc. for exclusively commercial purposes.

Remodeling or renovation loan
- Finance capital improvements to a façade, interior redesign, plumbing/electric upgrades, LEED/energy efficiency upgrades, ADA compliance, COVID/health safety protocols.

Inventory loan (i.e., contract financing)
- Finance the purchase of bulk goods, merchandise, textiles, raw materials, etc., primarily in order to fulfill larger contracts.

Refinance predatory debt taken on for asset building
- Restructure and pay off prior high interest or extractive loan incurred to acquire fixed assets. The asset(s) must still be in possession of the business and in usable condition.

Succession financing
- Finance the transfer of an existing business between generations (i.e., family business) or purchase of legacy business by new borrower.

Co-operative ownership conversion
- Finance the conversion of a business into a worker cooperative or other similar shared worker ownership model.
ABLE Loan Fund
Application Questions

1) **Background** | Briefly describe your business. Include a description of the product or service you are selling, a description of your target market (customer) including how they benefit from the product or service, and a description of your staff, team, or consultants and your plan to hire if you need to add human capital.

2) **Purpose** | Describe how you will be investing the funds you are applying for. Include a description of the asset and its use within your business, how the asset will increase or enhance your business, your plan for meeting increased demand, how you will reach new or additional customers, and how having this asset will help your business reach future goals.

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ABLE Loan Fund Documentation

Personal

- All loans will be personally guaranteed.
- ID and proof of Social Security card (if a U.S. citizen) or similar identifying document
- Copy of personal financial statement
- Copy of personal income tax return
- Form 4506-T, authorizing the access to a personal tax return transcript

Business

- Proposed use of funds with vendor estimate
- Actual cash flow YTD
- Balance sheet or financial statements (audited or unaudited)
- Business bank statements
- Proof of business address
- Financial projections*
- Copy of business tax return*
- Active Miami-Dade County business tax license, and for other municipalities as relevant
- Current employee roster
- Form 4506-T, authorizing the access to a business tax return transcript

*For nonprofit loan applicants, in lieu of these items, we request a list of prospective donations/incoming funding and Form 990.
What cannot OFB funding not be used towards?

• OFB funding can **only** be used to cover the asset itself
• OFB cannot cover:
  o Other operational expenses, such as payroll and salary, overhead, rent for an existing location, debt servicing, etc.
    o This includes staffing, training, utilities, etc.
  o Items covered other Miami Open for Business funding opportunities
    o E.g., Loans cannot cover technology or machinery
    o E.g., Microgrants cannot cover vehicles, inventory, or remodeling
    o E.g., Real estate funding cannot cover remodeling, refinancing
Open for Q&A

If you have **specific questions** about your business or proposal, please email us:
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For-profits: openforbusiness@miamiofbloans.org

Please clarify if your question is **technical** or **programmatic**