



Office of Economic and Workforce Development Community Development Block Grant City & County of San Francisco

ECD 18B GUIDELINES

COMMERCIAL CORRIDOR REVITALIZATION

The primary focus of Economic Development (ECD) 18B – Commercial Corridor Revitalization is to assist start-up and existing business types along San Francisco’s commercial corridors that provides goods and services to low- to moderate-income communities.

As an Economic Development CDBG and OEWD grantee, your agency agrees to assist small businesses to achieve the following¹:

- Self-sufficiency for low- and moderate-income and other disadvantaged entrepreneurs
- New and improved job opportunities
- New or expanded goods and services
- Increased personal income
- New tax revenue to a local economy

Client Activities and Outcomes

Grantees reporting on ECD 18B – Commercial Corridor Revitalization will report up to three activities: *Outreach and referral, case management, and compliance and improvements*. Under each activity are corresponding outcomes. When your client achieves an outcome, you must register the client to an outcome and enter the outcome date.

Agencies shall also report on non-client activities. For commercial corridor program area, grantees shall report on the following: merchant walks conducted, ED partners meetings attended, number of loans funded (agency’s assistance through KIVA Zip and similar loans), and dollar value of loans funded.

1. **Outreach and Referral:** This activity involves grantees meeting with a client to understand the client’s business needs. At the initial meeting, the client may complete an intake and assessment, and CDBG client service agreement. ***At a minimum, the consultation/meeting with a client should be at least one hour.***

Outreach/Intake and Referral Outcomes

- **Better understanding of resources and business basics:** Report a client for this outcome when the client has a better understanding of business basics as a result of the agency’s assistance. Business basics may include, but are not limited to: available resources provided by nonprofit partners to small businesses, marketing plan to help publicize the small

¹ Economic Development Toolkit, Chapter 4: Small Business Development
http://www.hud.gov/offices/cpd/economicdevelopment/toolkit/edt_manual.pdf

business (ex: events, city-wide blogs/newspapers, website creation), knowledge of city/state/federal codes for the business, etc.

- **Referrals to partner agencies successfully connected:** This outcome involves the grantee referring a client to another partner agency with the expertise to assist the client. Only register the client to this outcome when you get confirmation from the recipient agency that your client has been connected. Referrals include, but not limited to, assistance for financial analysis, marketing, loans, or legal assistance (eviction prevention and business issues).
 - **Leases drafted, negotiated, or renewed:** This outcome involves a client's lease to be drafted, negotiated (this can also mean extending the lease for an additional number of days), or renewed. Clients that are in need of leasing assistance shall be referred to a partner agency, such as LCCR's Legal Services for Entrepreneurs or other entity with expertise to provide the legal advice.
2. **Case Management:** A client is registered for case management after the initial meeting (Outreach/Referral) and the client seeks one-on-one assistance from the grantee.

Case Management Outcomes

- **Existing business assisted and an economic impact achieved:** Enroll a client as satisfying this outcome when your agency's assistance has helped a small business achieve one or more positive economic impact. An economic impact is usually measured by changes in revenue, business profits, personnel shifts, or wage increases. Examples of an economic impact for commercial corridor revitalization may be any of the following (provide more detail in your monthly reports):
 - Opened a new additional location
 - Introduced a new product line
 - Increased sales/revenue from previous years
 - Increased capital investments
 - Lease strengthened
- **New business assisted and an economic impact achieved:** A new business achieves more visibility on the corridor and potential clientele with your assistance. The assistance includes, but not limited to the following (provide more detail in your monthly reports):
 - Facilitating the business grand opening
 - Introductions to the local merchant association and neighborhood groups
 - Grantee producing marketing materials and/or writing a story on the business in the local or neighborhood newspaper, website or listserv
- **Assisted with IDP development:** For clients interested in developing a longer term partnership, an IDP may be developed to manage multiple action items. For example, in addition to marketing assistance, the boutique shop owner is interested in negotiation and renewing his/her lease to end in 10 months. In addition, the business owner wants a loan to grow the business.

An IDP is a working document that sets out attainable broad objectives and minor goals for a

business. The IDP is provided for the client and updated at each meeting and when an accomplishment is completed. The IDP shall have steps needed for clients to achieve their goals and information for resources to assist the client. An updated copy should be available for grant coordinators to review. Grantees shall have *at least 10% of the unduplicated clients registered as IDPs*. A Sample IDP template is available on the [MOHCD documents download site](#) in “Economic Development” section.

- **Jobs retained and created:** Please see below for CDBG Compliance options
- 3. **Compliance and Improvements:** This activity involves your assistance to a business owner on physical improvements (ADA barriers removed, façade/tenant improvements, parklet, bicycle parking in front of business, etc.) and/or compliance with city regulations or ordinances (building, planning, health, DPW, etc.)

Compliance and Improvements Outcomes

- **Assisted with improvement project:** Report this outcome if the client has completed an improvement project that you assisted with.
- **Assisted with compliance issue:** If your agency is working with a client to comply with city agency issues, feel free to reach out to OEWD or the Office of Small Business at the earlier stages of the matter for resolution options and direction. Report this outcome when you are working with a client on this issue.

Additional Definitions

Businesses assisted: A business/client 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*.

Business Status: Select the status of the business when you enter a business in GMS:

- **Pre-start up:** Client has identified a business idea, has had no formal sales and is actively pursuing business idea through research and development including the following: market research, business plan development, and possessing motivation to start a business within one to two years.
- **Start-ups assisted:** 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 assisted:** 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-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.

Individual Development Plans (IDPs): Sample IDP template is available on the [MOHCD documents download site](#) and through your grant coordinator.

Documenting CDBG National Objective for 18B Business Technical Assistance: Agencies that provide commercial corridor revitalization services are eligible for CDBG by documenting the service area benefited under low- to moderate- income area benefit (L/M Income Area Benefit), or the creation and/or retention of low- to moderate-income jobs (L/M Income Jobs).

A. First Option: L/M Income Area Benefit

- According to CDBG National Objectives, to qualify as a L/M Income Area Benefit, the services provided should satisfy the following:
- Benefit all residents of an area which is primarily residential, **AND**
- An activity must meet the identified needs of L/M income persons in the area where **at least 51% of the residents are L/M income persons**. See section 105(c)(2) of the Housing and Community Development Act of 1974 as amended.

Documenting L/M Income Area Benefit: In addition to maintaining records of each client, all agencies shall provide:

- Boundaries of the service area and the basis for determining those boundaries, and
- The percentage of low-income to moderate-income persons in the service area (an entire area served by the program area).
- Available information from the latest Decennial Census shall be used to determine the number of persons that resided in each such tract/block group at the time of the last census and the percentage of such persons who were low to moderate income (based on the CDBG definition) at that time. For more information on documenting under L/M Income Area Benefit, see Section 24 CFR §570.208(a)(1)(vi) and contact your OEWD grant coordinator for assistance.

B. Second Option: L/M Income Jobs Created and Retained

- For those commercial corridors that do not meet the CDBG National Objectives under L/M Income Area Benefit, agencies must maintain documentation that jobs were created or retained as a result of your agency's assistance and that at least 51% of the jobs created are held by or made available to low-to moderate-income persons by HUD income standards.
- For grantees that need 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 that is 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. 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’s 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’s 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 24 CFR §570.208(a)(4)(iv) and (v). To document the presumption of L/M income employees, 18B grantees can use this mapping tool:

<http://sfgov.maps.arcgis.com/apps/webappviewer/index.html?id=e4e8bfc6d1d648dbafa39a88702aa171>. 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 [MOHCD’s Community Development Forms and Documents page](#). Please check periodically as updates are made each fiscal year.

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

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.