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

ECONOMIC DEVELOPMENT (ECD) 18C GUIDELINES
TECHNICAL ASSISTANCE TO MICROENTERPRISES

The primary focus of Economic Development (ECD) 18C – Technical Assistance to Microenterprises is to assist owners and developers of Microenterprises that are low-to moderate income. A microenterprise is a business with five or fewer employees, including the owner(s).

As an Economic Development CDBG grantee, your agency agrees to assist microenterprises to achieve the following[1]:

- 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 18C – Technical Assistance to Microenterprises will report *Case Management* activities and outcomes. After you enroll your client to specific activities and your client achieves an outcome, you must register the client to an outcome and enter the outcome date.

Grantees shall also report on non-client activities. ECD 18C grantees shall report on:

<u>Case Management:</u> A client is registered for case management after the initial meeting and the client seeks one-on-one assistance from the grantee. At a minimum, the consultation/meeting should be *no less than one-hour.*

> For example, after meeting with the client about the women's boutique business, the grantee continues to meet with the client and assigns a consultant or staff person to work with the client on: evaluating the sales channels/demographics, marketing strategy that fits the client, and possibly a loan.

---

[1] Economic Development Toolkit, Chapter 4: Small Business Development
https://www.hudexchange.info/resources/documents/Economic-Development-Toolkit-Manual.pdf

Primary 18C Case Management Outcomes:

Program Area	Activity	Activity Units	Outcome	Outcome Units
ECD18C - Technical Assistance to Microenterprises	Case Management	Business	Businesses started	Business
			Leases drafted, negotiated, or renewed	Business
			Dollar amount of Equity (owner investment)	Business
			Annual dollar amount of increase in Sales	Business

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	#		

Additional Definitions

Business Account Number: When enrolling clients onto the Grant Management System (GMS), enter your client's BAN number if they are an existing SF Business. BAN numbers are publicly available on DataSF's Registered Business database here: https://data.sfgov.org/Economy-and-Community/Registered-Business-Locations-San-Francisco/g8m3-pdis/data

Jobs created and retained goals: should be calculated as full-time positions. Part-time jobs can be counted toward the goal, but they have to be converted to full-time equivalents. For example, two half-time permanent jobs are the full-time equivalent of one full-time permanent job.

Community outreach events: Events must be relevant to the project goals.
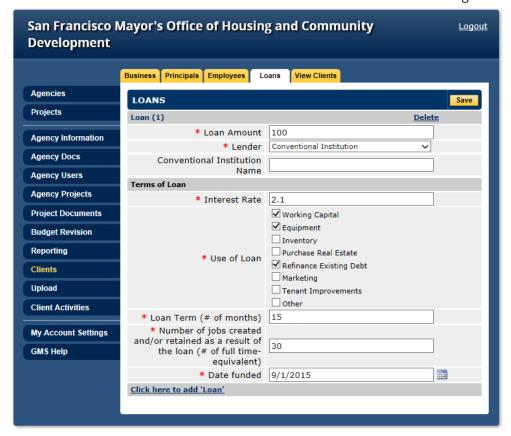
Additional Reminders – CDBG Eligibility Requirements

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:

Grantees that are required to report on loan information 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:

18C (Micro-enterprise) Grantees: Report on Low- to Moderate-Income Clientele

- The micro-enterprise category specifically includes pre-startups as a business type that should be served **ONLY IF** the pre-startup business is to be developed into a micro-enterprise (5 employees or fewer, including the owner). If the pre-startup business will be developed into a small business, it is **not** eligible for microenterprise assistance. These clients qualify for assistance by an 18B (technical assistance to small businesses) grantee. (24 CFR § 570.201(O)(3))

- Any person receiving assistance using 18C CDBG funds should be a low-to-moderate income (LMI) person. The program must determine a client's income eligibility based on family size and income. Grantees must complete the client's family income verification form.

- There is substantial flexibility in how CDBG-funded microenterprise activities can meet a National Objective. The most typical approaches are:

- Microenterprise assistance can qualify under the limited clientele criteria for LMI benefit, if the business owner is LMI. This eliminates the need to track job creation or retention. In certifying LMI status, the recipient need look only at the owner's income, not that of any employees. Furthermore, there is a 3-year presumption of LMI status to allow for continued assistance.

- If the owner is not LMI, the recipient can still provide microenterprise assistance by meeting the LMI job creation/retention criteria.

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
- OEWD Family Income Verification Form (For all business owners). **Per CDBG guidelines, this form is valid for 3 years from the date it was completed.**
- Form H – Request for approval of Subcontract (e.g. Consultants) and Equipment Purchase (if applicable)
- Form I – Bids and contracts database Information Form (if applicable)
- Citywide Fiscal and Compliance Monitoring Form (Required for monitoring site visits)
- Maintain client files reported in the Grant Management System (GMS)

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