

**CITY OF MILWAUKEE
COMMUNITY DEVELOPMENT BLOCK GRANT
LARGE IMPACT DEVELOPMENT FUND POLICY**

Minimum Allocation: \$ 100,000

Program Description:

The Large Impact Development Fund (LID) is designed to foster new economic development projects in Milwaukee neighborhoods located in the CDBG Target Area. LID funds shall only be awarded for Physical Development Projects sponsored by non-profit (501 (c) (3) corporations. All proposals must show evidence of site control and/or an Offer to Purchase or Letter of Commitment.

If the non-profit (501) (C) (3) corporation retains title to the physical development project, proposals will be deemed eligible if an agreement is made to pay a Payment In Lieu Of Taxes (PILOT). All proposals *must* meet the following criteria in order to be considered for funding:

Qualifying Criteria:

- Re-use of vacant, blighted property or physical expansion
- Provide New or Increased City Tax Revenues
- Create Jobs

Specific Ineligible Activities: Ineligible activities *include, but are not limited to:* non-tax producing projects, schools, day care centers, currency exchanges (including check cashing outlets), liquor stores, taverns, gun shops, pawn shops, non-profit agency relocation and/or establishment of non-profit agency headquarters. In addition, the Community Development Committee may decide to exclude other activities, which they deem does not meet the objectives of the fund.

NOTE: LID funds cannot be utilized for activity or costs incurred prior to the approval of funds by the Common Council. All costs incurred by the applicant prior to this approval are incurred at the risk of the applicant.

At the time of application, the project must document that it has secured at least 75% of the total project budget (i.e., bank letters of commitment, cash, and letters of credit. In addition, equity interest must be accompanied by a certified statement from a lending institution indicating the cash value of the equity for the project).

Per the Community Development Committee, LID allocations must be spent within twelve months of award or they may be rescinded.

After contracting with the City, organizations funded under the Large *Impact Development Fund* will be paid by CBGA on a **Reimbursement** basis.

Reimbursement Procedures:

1. A. Up to 10% of the CDBG award may be drawn down once the project has documented that they have secured at least 75% of the financing for the total project.
- B. Subrecipient may draw down the remaining CDBG dollars,(up to 75%) of the award for eligible, documented costs once they have documented that they have secured 100% of financing for the total project.
- C. The remaining 25% of funds may be drawn down upon satisfactory completion of all activities and submittal of the following CBGA required documentation:

**EXHIBIT A
AS AMENDED**

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- a. Final Project Activity Report & Direct Benefits Status Report for jobs created
 - b. Business Assistance Agreement
 - c. Business Data form
 - d. Employee Data form
 - e. Employee Retention verification (as applicable)
2. Depending on the nature of the project, there may be requirements relating to Davis Bacon Prevailing Wages, Site Control, Program Income, etc.
 3. Request for the draw of CDBG funds necessary for the purchase of property must include the Offer to Purchase or closing statement.
 4. Contractor and subcontractor report (if applicable)
 5. HUD Section 3 Project Participation Report (New construction, housing, and/or rehabilitation)
 6. Lien waiver from all contractors (if applicable)
 7. Property Record form and invoices (if applicable for equipment, machinery, etc.)
 8. Final City Building Inspection sign-off (Note: This can take the form of an occupancy permit or a Final Certificate of Code Compliance)