

The background of the slide features a large, faint watermark of the University of Buffalo seal. The seal is circular and contains the text "UNIVERSITY OF BUFFALO" around the perimeter. In the center, there is a figure, likely a Native American, holding a bow and arrow. The watermark is light blue and yellow.

# Community Development Block Grant (CDBG)

*Business Assistance Loan Program*

# CDBG Background

Federal Department of Housing and Urban Development

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State Department of Housing and Community Development

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Local Jurisdictions

- Funds are released annually through a Notice of Funding Availability (NOFA).
- The primary federal objective of the CDBG program is the development of viable urban communities by providing decent housing and a suitable living environment and through expanding economic opportunities, principally, for persons of low- and moderate-income.
- “Persons of low and moderate income” are defined as families, households, and individuals whose incomes do not exceed 80 percent of the county median income, adjusted for family or household size.

# CDBG Requirements:

## National Objectives

- All CDBG activities must meet one of the following National Objectives:
- (1) benefit low- and moderate-income persons;
- (2) aid in the prevention or elimination of slums and blight; or
- (3) meet certain urgent community needs.
- Depending on the type of project or program, benefit can be provided directly to low-moderate-income persons, or to a predominantly low-moderate income area

## Matrix Codes

- Matrix Codes are assigned to different types of activities, and are used to determine what type of National Objective an activity can meet.

# Program Income

- Program Income (PI) is income from previous CDBG loans that have been repaid to the City.
- The City's current Program Income cash on hand and future receipts up to the total amount of \$570,000 is encumbered for a Business Assistance Loan Program (BALP), including Activity (loans), Activity Delivery (staff and consultant costs to complete the activity), and General Administration (staff and consultant costs to administer the City's CDBG program).
- BALP will provide financial assistance to qualifying businesses within City limits by providing low-interest, flexible-term loans.
- City Council must adopt Program Guidelines to govern program operation.
- Benefit is measured by creation or retention of jobs filled by low-moderate-income persons

# Current Income Limits

| <b>Persons in Household</b> | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>6</b> | <b>7</b> | <b>8</b> |
|-----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Extremely Low 30%</b>    | \$19,750 | \$22,550 | \$25,350 | \$28,150 | \$30,450 | \$32,700 | \$34,950 | \$37,200 |
| <b>Low 50%</b>              | \$32,900 | \$37,600 | \$42,300 | \$46,950 | \$50,750 | \$54,500 | \$58,250 | \$62,000 |
| <b>60% Limit</b>            | \$39,480 | \$45,120 | \$50,760 | \$56,340 | \$60,900 | \$65,400 | \$69,900 | \$74,400 |
| <b>Moderate 80%</b>         | \$52,600 | \$60,100 | \$67,600 | \$75,100 | \$81,150 | \$87,150 | \$93,150 | \$99,150 |

# Business Assistance Loan Program Overview

- Eligible Businesses:
  - For-profit businesses located within City limits.
- Loan Amounts:
  - Minimum of \$35,000 (supports at least one job) and Maximum of \$210,000 (supports at least six jobs)
- Terms:
  - Typically, 10 years, but may range from five to 30 years, based on project costs, security, and capacity to repay. Repayment is required – these are not forgivable loans or grants.
- Job Creation and/or Retention Requirements:
  - Each business must prove that jobs were created and/or retained as a result of the loan, and at least 51% of those jobs must be filled by low-moderate income persons.
- Collateral:
  - Collateral is required. Junior liens will be considered.
- Loan Fees:
  - None.
- Interest Rates:
  - May range from 2.5% to 5%, determined on case by case basis, based on risk factors.

# Business Assistance Loan Program Application Process

## Application Process:

1. Pick up application
  - At City Hall during business hours
  - Online <https://www.fortbraggbiz.com/>
  - Email [ed@fortbraggca.gov](mailto:ed@fortbraggca.gov)
2. Submit application and supporting documents
3. Phone and on-site interviews
4. Loan Proposal considered by Loan Advisory Committee
5. Completion of loan documents (if approved)
6. Disbursement of loan funds
7. Monthly repayment of loan

# BALP Timeline

- February 23, 2026: Program Guideline Adoption
- February 24, 2026 – July 22, 2028 (or sooner, if funds are fully expended): Program Operation
- July 23, 2028 – October 22, 2028: Award Closeout