

City of Lauderhill
GROW WITH US - CDBG Forgivable Microloan Program

Program Guidelines

I. Program Purpose

The Community Development Block Grant (CDBG) Forgivable Microloan Program provides targeted financial assistance to eligible small businesses located within the City of Lauderhill to support economic stabilization, business retention, and neighborhood revitalization activities that principally benefit low- and moderate-income (LMI) persons.

The Program is structured to ensure compliance with federal Community Development Block Grant statutory and regulatory requirements and to maintain strong internal controls and audit defensibility.

II. Federal Authority

This Program is authorized pursuant to:

- Housing and Community Development Act of 1974, as amended (42 U.S.C. §§ 5301–5321)
- HUD Entitlement Regulations:
 - 24 C.F.R. Part 570
 - 24 C.F.R. § 570.203 — Special Economic Development Activities

III. Program Structure

The City shall administer assistance as a Forgivable Microloan Program:

- Maximum assistance: Up to \$10,000 per eligible business
- Assistance provided through written loan agreements
- Loan forgiveness conditioned upon:
 - Compliance with program requirements; and
 - Continued business operations for a defined compliance period (recommended: 18 months with agreement to spend the funds within 12 months).

IV. National Objective Compliance

Each assisted activity must meet a CDBG National Objective, primarily through:

Low- and Moderate-Income (LMI) Benefit

No assistance shall be awarded or disbursed without a documented National Objective qualification consistent with HUD requirements.

V. Eligible Applicants

Eligible applicants include:

- For-profit commercially-based businesses operating within City limits;
 - Brick and Mortar only.
 - Ineligible Applicants: Virtual Businesses, food trucks, adult entertainment businesses, faith-based businesses, tobacco shops, liquor stores, weapons/firearms dealers, non-profits, real estate rentals/sales businesses, lobbyists/firms that provide lobbying services, and home based businesses
- Businesses meeting applicable LMI benefit standards;
- Businesses in good standing with City licensing and regulatory requirements
- Be current on all federal, state, and local taxes
- Have five (5) or fewer employees
- Must provide goods or services to the community
- Registered and active with Sam.gov

VI. Eligible Uses of Funds

Eligible uses include:

- Point-of-sale or operational software;
- Exterior signage or façade improvements;
- Security improvements;
- Accessibility or code compliance improvements;
- Limited operational inventory.

VII. Ineligible Uses

Funds shall not be used for:

- Payroll or owner compensation;
- Rent or utilities;
- Debt repayment;
- Cash withdrawals;
- Undocumented expenditures;
- Prohibited business categories.

VIII. Disbursement and Financial Controls

Funds shall be disbursed through:

- Reimbursement-based payments; or
- U.S.-based vendor-direct payment methods.

Required documentation includes invoices, receipts, and proof of eligible expenditures.

IX. Program Administration and Separation of Duties

Consistent with federal Community Development Block Grant regulations under 24 C.F.R. Part 570, including conflict-of-interest provisions (§570.611), underwriting standards (Appendix A), and recipient administrative responsibilities (§570.501), the City shall maintain functional separation between:

- Program promotion and business assistance activities; and
- Eligibility determination, underwriting, and compliance decision-making functions.

This separation preserves objectivity, prevents real or perceived conflicts of interest, and ensures audit independence.

A. Grants Division Responsibilities (Compliance Authority)

The City Grants Division shall serve as the sole authority responsible for federally regulated compliance functions, including:

- Management of online application through Neighborly portal;
- Eligibility determination;
- Verification of National Objective qualification;
- Review of supporting documentation;
- Financial and programmatic underwriting analysis;
- Preparation of funding recommendations;
- Maintenance of official CDBG compliance files;
- Execution coordination of loan agreements;
- Post-award monitoring;
- Forgiveness or recapture determinations.

All eligibility and underwriting determinations shall be independently documented in accordance with HUD recordkeeping requirements under 24 C.F.R. §570.506.

B. Economic Development Division Responsibilities (Non-Compliance Functions)

The Economic Development Division may support Program implementation strictly in a non-underwriting and non-eligibility capacity, including:

Permitted Activities

- 1:1 Intake Collection
- Program outreach and marketing;
- Business engagement and education;
- Applicant orientation workshops;
- General application process guidance;

- Business technical assistance unrelated to eligibility;
- Coordination with permitting or operational departments;
- Post-award business support services;
- Economic impact and program outcome tracking.

Prohibited Activities

The Economic Development Division shall not:

- Determine applicant eligibility;
- Review or verify LMI documentation;
- Conduct underwriting analysis;
- Recommend funding approval or denial;
- Participate in compliance determinations;
- Approve loan forgiveness decisions.

C. Internal Control Safeguard

Personnel responsible for business promotion or applicant assistance shall not participate in eligibility or funding determinations.

This internal control structure aligns with HUD monitoring expectations under 24 C.F.R. §§570.900–570.913 governing recipient performance reviews.

X. Written Agreements

Each approved business shall execute a Microloan Agreement, including:

- Eligible use restrictions;
- Federal compliance certifications;
- Monitoring requirements;
- Default and recapture provisions;
- Forgiveness conditions.

XI. Monitoring and Compliance

The Grants Division shall conduct monitoring, including:

- Verification of funded purchases;
- Confirmation of continued operations;
- Compliance review during a 6–12 month monitoring period.

XII. Documentation and Recordkeeping

The City shall maintain standardized:

- Applications;
- Underwriting documentation;
- Compliance files;
- Monitoring records;

consistent with 24 C.F.R. §570.506.

XIV. Reporting

Staff shall periodically report to the City Commission regarding:

- Businesses assisted;
- Geographic distribution;
- LMI benefit outcomes;
- Compliance status; and
- Economic development impacts.

Below is a list of criteria applicable to the CBDG Microenterprise. Staff may use this chart as a guide to determine eligibility.

Descriptions

CDBG - Microenterprise

Active Unique Entity Identifier(Sam.gov)	Yes	No
Service 51% or more low- mod- residents	Yes	No
Assist 5 or fewer employees	Yes	No
Within the City of Lauderhill limits	Yes	No
Must be a commercial business	Yes	No
Must have a current COU if an existing business	Yes	No
Business owners must be 18 years or older	Yes	No
Must be a for-profit business	Yes	No
Duplication of Benefits form	Yes	No
Conflict of Interest form	Yes	No
Meet Debarment checks	Yes	No
Meet Anti-pirating requirements	Yes	No