



ECONOMIC DEVELOPMENT WOMEN OWNED OR ETHNIC MINORITY BUSINESS LOAN

The Economic Development Women Owned or Ethnic Minority Business Loan will provide working capital to encourage women and ethnic minority business owners by expanding current businesses or creating new ownerships. The program is designed to provide financial assistance in the form of a forgivable loan. This program is funded through the Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and is contingent based on continued funding.

The City of Ashland considers applicants without regard to race, color, religious preference, gender, handicap, gender identity, marital status, familial status, sexual orientation or national origin. (Ordinance 29-2013).

PURPOSE:

The Economic Development Women Owned or Ethnic Minority Business Loan Program offers capital and fixed assets loans to women owned and minority businesses located within the City of Ashland to promote economic development and the creation and retention of jobs for low- to moderate- income individuals and households.

ASSISTANCE TYPE:

Assistance is in the form of a five-year (60 month) forgivable loan. Each year the business is in operation and in good standing with the City and the Economic Development Women Owned or Ethnic Minority Business Program, twenty percent (20%) of the loan will be forgiven.

ELIGIBLE BUSINESSES:

The business must be owned by a women or ethnic minority with “majority of interest” in the business to be eligible.

The business must be located within the City of Ashland.



PROGRAM REQUIREMENTS:

Positions must be full-time-equivalent and at least 51% of the positions must be available to (first consideration) and filled by low- to moderate- income persons.

The minimum accepted job creation ratio is \$25,000 per each Full-Time Employee (FTE) position created.

Full-time positions must be reviewed during the hiring process to verify all positions are given first consideration to low-to moderate- income persons. City of Ashland staff will verify potential hire's total household income prior to employment and will verify each position on an annual basis.

City staff will conduct a site visit in order to verify the business is in operation and in order to ensure compliance with the terms of the loan agreement.

The business must be properly licensed to operate within the City of Ashland, Kentucky, Boyd County and the Commonwealth of Kentucky. Must meet all local and state building and health code requirements where applicable.

The applicant must maintain full and accurate records in respect to the project and must ensure adequate control over the records of related parties in the project. The agreement requires the applicant to furnish, upon request of the City, all data, reports, contracts, documents, and other information relevant to the project.

An applicant shall submit to the Director a completed Economic Development Women Owned or Ethnic Minority Program Loan application, which shall include the following at a minimum:

- A description of the project, total cost of the project and sources of funding
- A five year pro forma, including the number of new jobs to be created, the wages, salaries, bonuses and commissions expected to be paid.
- General information about the company management capabilities, including resumes of top management and the company's marketing strategies.
- Such financial and non-financial information about the Applicant and/or its principals as is required by this ordinance or as otherwise deemed necessary by the Director or the Committee.



- Certification that the Applicant is an equal opportunity employer and agrees it shall not discriminate in hiring and employment because of race, creed, color, national origin, religion, sex, age or disability and that it shall comply with all Federal, state, and local equal opportunity policies and laws to insure non-discrimination because of race, creed, color, national origin, religion, sex, age or disability.

The Director, or his designee, shall review each application to verify the information submitted therewith and determine:

- Whether the application meets the program eligibility requirements.
- The accuracy of the factual representations in the application and the Applicant's employment and financial projections.
- The amount of the loan for which the Applicant qualifies and the terms upon which the Director would recommend approval to the committee.
- Special credit risks presented by the Applicant or the project.
- Any and all matters deemed appropriate to weigh the credit worthiness of the Applicant, the application, or the project.

The Finance or Community Economic Development Director may request additional information from the Applicant at any time, or waive any list criteria not believed necessary for consideration of the applicant's request.

After the Director's review of the application, a recommendation shall be submitted to the Ashland Business Growth & Development Committee for review. The Committee may request additional information from the applicant at any time. Following its review, the Committee shall either reject the application or recommend its approval.

The application shall be submitted to the City Commission for final approval. Upon such approval, the approved Applicant and the City shall enter into a Program Agreement which sets forth the terms of the loan and the obligations of each party.

REPAYMENT TERMS:

The loan shall depreciate twenty percent (20%) each year from the date of execution if the program is in good standing with the Economic Development Women Owned and Ethnic Minority Business loan program and the City of Ashland. If the Applicant ceases to do business or fails to fulfil program



requirements, then the loan amount, less depreciation, shall be paid to the City within 30 days of the last business day.

EVENTS OF DEFAULT:

The following shall constitute events of default, which may be declared by the City:

- Failure of an Approved Applicant to pay any tax, license fee, penalty or other charge or obligation to the City pursuant to the Code of Ordinances;
- Failure of an Approved Applicant to comply with any term, condition or obligation of the program agreement;
- The making of any material misrepresentation of any statement or fact on an Approved Applicant's program application or supporting documents, whether or not relied upon by the City, Committee, or Director.

REMEDIES

In the event of default under a Program Agreement, the City may suspend the participation of the Approved Applicant until such time as the default is cured or the City may terminate the agreement with prior written notice to the Approved Applicant with 30 days to correct the default event. If the approval is terminated, the City may pursue remedies available to the City under Kentucky law and pursuant to the terms of the parties' program Agreement.

The failure of the City to declare a default in any event thereof shall not constitute a waiver thereof.

The remedies contained in the program agreement shall be cumulative and in addition to any other remedy authorized by law. Said remedies may be exercised separately, together or in any combination thereof, and any such exercise shall not constitute a waiver of any remaining remedies.

No discharge in bankruptcy or other bankruptcy proceedings shall affect the Approved Applicant's obligation to comply with this Ordinance, except as provided by Federal or State law.

DEFINITIONS

"Applicant" shall mean a business entity applying for CDBG Women Owned and Minority Enterprise Loan.

"Approved Applicant" shall mean an Applicant approved by the City.



“Business Entity” shall mean a sole proprietorship, partnership, limited liability company, corporation, or other similar organization qualified to do business in the Commonwealth of Kentucky.

“Committee” shall mean Ashland Business Growth & Development Committee.

“Director” shall mean the Community & Economic Development Director

“Small Minority Business Enterprise” shall mean any business of which a majority of interest is owned by, and whose control and operation is vested in eligible minority applicants.

“Small Women Business Enterprise” shall mean any business of which a majority of interest is owned by a women, and whose control and operation is vested in eligible minority applicants.

“Majority of Interest” shall mean 51% or greater.

ADDITIONAL INFORMATION

Individuals should contact Community & Economic Development at 606-327-2030 to request accommodation(s) or alternative formats as required under the Americans with Disabilities Act (ADA). Please allow five days to process.



OTHER FEDERAL REQUIREMENTS

AGE DISCRIMINATION

The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR, Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8; <http://www.hud.gov/offices/ftheo/disabilities/sect504.cfm>

AQUIFERS

The Safe Drinking Water Act of 1974, (42 U.S.C. Sec. 201, 300(f) et seq.), and (21 U.S.C. Sec. 349) as amended, particularly Section 1424 (e) (42 U.S.C. Sec. 300h-303(e))

ARCHEOLOGICAL

The Reservoir Salvage Act of 1960 (16 U.S.C. Sec. 469 et seq.), particularly Section 3 (16 U.S.C. Sec. 469a-1), as amended by the Archeological and Historic Preservation Act of 1974;

CLEAN AIR

The Clean Air Act (41 U.S.C. Sec. 7401 et seq.) as amended, particularly Section 176(c) and (d) (42 U.S.C. Sec. 7506(c) and (d));

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972, (16 U.S.C. Sec. 1451 et seq.) as amended, particularly Section 307(c) and (d) (16 U.S.C. Sec. 1456(c) and (d));

CONFLICT OF INTEREST

The City's Housing Programs contain Federal funds. In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the City, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the City's Housing Programs shall directly or indirectly be eligible for the City's Housing



Programs. Exceptions to this policy can be made only after public disclosure and formal approval by the City Council and HUD.

ENDANGERED SPECIES

The Endangered Species Act of 1973, (16 U.S.C. Sec. 1531 et seq.) as amended, particularly Section 7 (16 U.S.C. Sec. 1536));

ENVIRONMENTAL REVIEW PROCEDURES or Title I Community Development Block Grant Programs, 24 CFR Part 58, as amended in 47 Fed. Reg. 15750 (April 12, 1982)

EQUAL EMPLOYMENT OPPORTUNITY

The requirements of Executive Orders 12466 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR, Chapter 60.

<http://www.fedglobe.org/issues/hudpolicy.htm>

EQUAL OPPORTUNITY IN HOUSING

Executive Order 11063, as amended by Executive Order 12259, and 24 CFR part 107, Nondiscrimination and Equal Opportunity in Housing under Executive order 11063 or 24 CFR, Part 107 shall be a proper basis for the imposition of sanctions specified in 24 CFR 107.60;

http://www.access.gpo.gov/nara/cfr/waisidx_00/24cfr107_00.html

FAIR HOUSING ACT

The Fair Housing Act (42U.S.C. 3601-20) and implementing regulations at 24 CFR part 10; Executive Order 11063, as amended by Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., 652 and 3CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing and implementing regulations at 24 CFR, Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination on Federally Assisted Programs) and implementing regulations issued at 24 CFR, Part 1;

<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>



FARMLANDS

Farmlands Protection and Policy Act of 1981, (7 U.S.C. Sec. 4201 et. seq.) 24 CFR Part 51, Environmental Criteria and Standards.

FLOOD PLAIN

Flood Disaster Protection Act of 1973, (42 U.S.C. Sec. 4001 et. seq.) as amended, particularly Sections 102(a) and 202(a) (42 U.S.C. Sec. 4012a (a) and Sec. 4106(a); and Executive Order 11988, Floodplain Management, May 24, 1977 (42 Fed. Reg. 26951), particularly Section 2.

HISTORIC PRESERVATION

National Historic Preservation Act of 1966 (16 U.S.C. Sec. 470 et seq.) and 40 CFR Parts 1500-1508; Section 106 (16 U.S.C. Sec. 470f); and 36 CFR 800

IMMIGRATION STATUS

Requirement that all members of a household must be either US citizens or resident aliens (have a green card) to occupy a CDBG assisted unit.

http://74.125.47.132/search?q=cache:Y9-_J6QPvSoJ:www.aoa.gov/prof/civil_rights/Non_citizens/v0qaniof.pdf+Fed+R+egister+Vol+62+No+221+page+61344&cd=1&hl=en&ct=clnk&gl=us&client=firefox-a

LEAD BASED PAINT

Applies to all existing units built before 1978; Title IV of the Lead Based Paint Poisoning Prevention Act (42 U.S.C. Sec. 4831).

MINORITY AND WOMEN'S BUSINESS ENTERPRISE

The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, each applicant must make efforts to encourage the use of minority and women's business enterprises in connection with HOME funded activities. Each Contractor must prescribe procedures acceptable to the State to establish activities to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women. The Contractor/Subcontractor will be required to identify contracts which



have been bid by minority owned, women owned, and/or small disadvantaged businesses.

<http://www.hud.gov/offices/cpd/communitydevelopment/toolkit/files/MBE-WBEOutreach.pdf>

NOISE ABATEMENT AND CONTROL 24 CFR 51 B

<http://www.wbdg.org/pdfs/24cfr51.pdf>

PROTECTION AND ENHANCEMENT OF THE CULTURAL ENVIRONMENT, May 13, 1971 Executive Order 11593, (36 Fed. Reg. 8921), particularly Section 2(c);

ENVIRONMENTAL JUSTICE [Executive Order 12898]

http://www.epa.gov/Region2/ej/exec_order_12898.pdf

RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C., Sec. 4601 et. seq.), 49 CFR Part 24, and 24CFR Section 570.49a (55 Fed. Reg. 29309 (July 18, 1990).

<http://www.hud.gov/offices/cpd/library/relocation/index.cfm>

SECTION 3: EMPLOYMENT OPPORTUNITIES

The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

<http://www.hud.gov/offices/fheo/section3/section3.cfm>

SECTION 504

The Rehabilitation act of 1973 as amended requires that a qualified individual with a disability (physical or mental) shall not be excluded from participation or denied benefits or otherwise be subjected to discrimination under any program or activity that receives federal assistance.

<http://portal.hud.gov/hudportal/HUD?src=/programdescription/sec504>



SITING OF HUD-ASSISTED PROJECTS NEAR HAZARDOUS OPERATIONS

Establishes acceptable separation distance for the siting of residential buildings, mobile home parks or other HUD-assisted projects near stationary hazardous operations which store, handle or process chemicals or petrochemicals of an explosive or flammable nature. 24 CFR 51 C

<http://www.hud.gov/offices/cpd/environment/training/guidebooks/hazfacilities/>

TOXIC OR HAZARDOUS SUBSTANCES AND RADIOACTIVE MATERIALS

Particular attention should be given to any site proposed for HUD assistance that is located on, or in the general proximity of, such areas as dumps, landfills, industrial sites or other locations that contain hazardous wastes. It is HUD policy that all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.

WETLANDS

Prohibits the degradation or destruction of wetlands; Executive Order 11990 Protection of Wetlands, May 24, 1977 (42 Fed. Reg. 26961), Particularly Section 2 and 5;

<http://www.epa.gov/OWOW/wetlands/regs/eo11990.html>

WILD & SCENIC RIVERS

Applicable to projects within one mile of a designated wild and scenic river. Currently (2009) there are no rivers with a wild & scenic designation in the SETRPC service area. The Wild and Scenic Rivers Act of 1968, (16 U.S.C. Sec. 1271 et seq.) as amended, particularly Section 7(b) and (c) (16 U.S.C. Sec. 1278(b) and (c));

<http://www.nls.gov/offices/cpd/environment/review/rivers.cfm>

