



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Direct Assistance to Business

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Overview

Direct Assistance to Business is designed to provide grant funding for proposed CDBG eligible projects that will result in job creation.

Projects are expected to:

- Result in the creation of FTEs of which at least 51% of the created positions will be held by LMI persons.
- Create and/or retain the largest number of positions with the least amount of CDBG investment
- Leverage private investment funds
- Not to exceed \$35,000 of CDBG funds per FTE Created.

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Eligibility

National Objective: Job Creation

Eligible Activities:

- Acquisition
- Clearance
- Construction
- Rehabilitation
- Machinery & Equipment
- Working Capital
- Streets for Commercial/Industrial Sites
- Water/Sewer for Commercial/Industrial Sites
- Parking for Commercial/Industrial Sites

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Priority

Minimum Grant Amount: \$50,000

Maximum Grant Amount: Not to exceed \$35,000 per FTE Created

Match Requirement: At least 50% of eligible project costs based on financial need defined by financial underwriting.

Priority: Funding priority will be given to:

- Projects creating 10 or more permanent full-time positions
- Projects paying an average hourly rate of at least the State of Michigan minimum wage or 75% of the average hourly wage rate for the county.
- Projects that leverage the greatest amount of private and public funding.

Funding Window: Open Application

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Best Practices

- Focus on the project activities rather than the industry
 - The jobs created need to meet the 51% LMI requirement
- Utilize partners to assist with the selection/vetting process
 - Internal business units (business development staff)
 - State partners (local EDCs and statewide employment support)
- Keep an eye on the \$35,000 a job aggregate
 - Structure projects within the program accordingly
- Consider benefits of a reimbursement only program
- Create specific **Disbursement Milestones**
 - Include the ability to dismiss the grant (event of default)
- Be transparent, make all program guidelines and vetting public

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THANK YOU

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