

The Miami Foundation

Miami  **for Business**

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ABLE Loan Workshop

Program Goal

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- We aim to support historically underserved small businesses and nonprofits in Miami-Dade County **build resilience and generational wealth through the purchase and ownership of critical business assets**, such as technology, equipment, machinery, inventory, and property
- Funded by a \$20M grant from Wells Fargo devoted to asset building
 - Program runs through 2024
 - Miami is implementing the program alongside 4 other US communities
 - To support with lending, Miami selected **Partners for Self Employment** through a competitive RFP process



OFB offers Three Core Financial Products

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Microgrants for Technology or Equipment



CLOSED

Grants between \$100-\$20K for nonprofits and small businesses to purchase hardware, software, machinery, and equipment.

An annual total of ~\$800,000 will be awarded to 40-60 organizations.

Asset Building Loans for Entrepreneurs (ABLE) Fund



Low-interest, patient financing from \$5K-\$100K to buy vehicles or inventory, renovate space, refinance predatory debt, succession financing, or co-op conversion.

An annual total of ~ \$2 million will be lent to 30-50 organizations.

Collective Real Estate Ownership (CREO) Funding



CLOSED

Own payment and closing cost assistance up to \$500K for shared commercial real estate in historically underinvested neighborhoods and corridors to root community businesses and nonprofits.

An annual total of ~\$2.2 million will be awarded to 4-6 partnerships.

Priority Neighborhoods

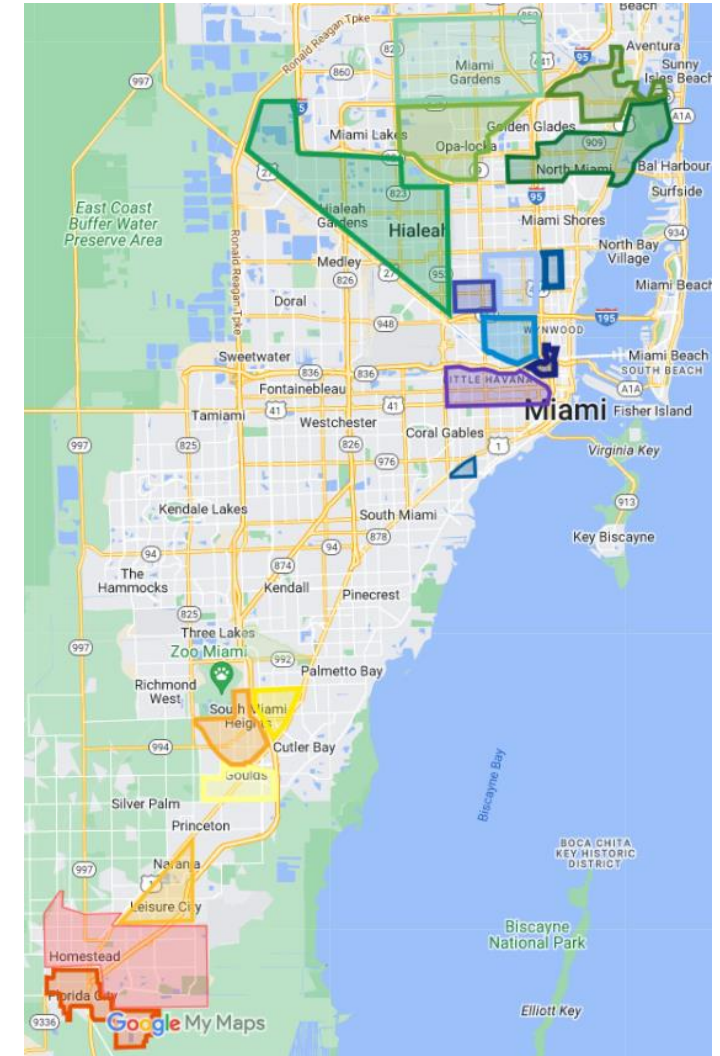
- **Purpose:** To support historically underinvested communities
- **ABLE** applications receive a few extra points during review
 - **North Dade:** Hialeah*, Miami Gardens, North Miami, North Miami Beach, Opa Locka
 - **Central Dade:** Allapattah, Brownsville, Liberty City, Little Haiti, Little Havana*, Overtown, West Coconut Grove
 - **South Dade:** Goulds*, Homestead, Leisure City, Naranja, Perrine, Richmond Heights, South Miami Heights*

**New in 2024*

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Why Consider an ABLE Loan

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- Competitive interest rate: 3% for profits & 0% non profit
- Can help build your business credit
- Asset based lending is designed specifically to promote increases in revenue
- Helps a business prepare for larger mainstream financing
- Capital can be stacked with other resources to further increase capacity

ABLE Loan Fund Details

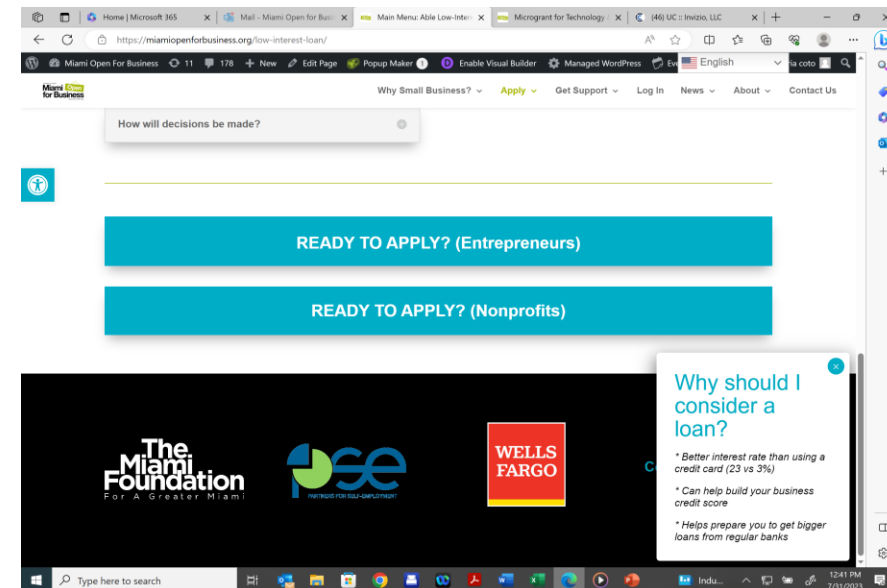
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- Loan between **\$5,000 - \$100,000**
- 1 to 5 year repayment period
- 3% interest for small businesses; 0% interest for nonprofit organizations
- Applications open till October 15, 2024
- For many loans, funding will be disbursed directly to vendor on behalf of borrower to facilitate purchasing

Create an account and apply
through the application portal
at:
miamiopenforbusiness.org



To be eligible to apply

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Located in
Miami-Dade
County



Owner is
disabled, Black,
Latino, Middle
Eastern/ North
African, Native/
Indigenous,
LGBTQ, veteran,
or refugee



In operation at
least
2 years



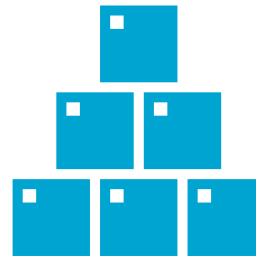
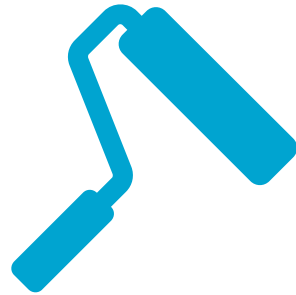
Annual revenue
or operating
budget less than
\$3 million

ABLE Loan Fund Purposes

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Vehicle purchase

Finance the purchase of a truck, van, bus, trailer, forklift, etc. for exclusively commercial purposes

Remodeling or renovation loan

Finance capital improvements to a façade, interior redesign, plumbing/electric upgrades, LEED/energy efficiency upgrades, ADA compliance, COVID/health safety protocols

Inventory loan (i.e., contract financing)

Finance the purchase of bulk goods, merchandise, textiles, raw materials, etc., primarily in order to fulfill larger contracts

Refinance predatory debt taken on for asset building

Restructure and pay off prior high interest or extractive loan incurred to acquire fixed assets. The asset(s) must still be in possession of the business and in usable condition

Succession financing

Finance the transfer of an existing business between generations (i.e., family business) or purchase of legacy business by new borrower

Co-operative ownership conversion

Finance the conversion of a business into a worker cooperative or other similar shared worker ownership model

What can OFB funding **not** be used towards?

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- OFB funding can **only** be used to cover **the asset itself**
- OFB cannot cover:
 - Other operational expenses, such as payroll and salary, overhead, rent for an existing location, debt servicing, etc.
 - This includes staffing, training, utilities, etc.
 - Items covered by other Miami Open for Business funding opportunities
 - E.g., Loans cannot cover technology or machinery
 - E.g., Microgrants cannot cover vehicles, inventory, or remodeling
 - E.g., Real estate funding cannot cover remodeling, refinancing

ABLE Loan Fund Preparing to Apply



For All Applicants:

- Ensure the owner(s) or organization leaders and business meet the **eligibility** requirements.
- Ensure you have available the personal (for profit only) and **contact information** for all owners.
- Make sure all **tax returns** (personal -for profit only and business) are up to date and you have them available.
- Make sure all your **financial transactions** are recorded so you can easily run the required financial reports.
- Make sure that you know exactly what **asset you want to purchase** you will need contact information for the vendor and a vendor estimate for the asset(s) to be purchased.

ABLE Loan Fund Documentation

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REQUIRED FINANCIAL DOCUMENTS FOR SMALL BUSINESSES

	Based on Loan Size		
	Up to \$10K	Up to \$25K	Up to \$100K
Personal Tax Return	1 year	1 year	2 years
Business Tax Return	1 year	1 year	2 years
Actual Cash Flow YTD	✓	✓	✓
Financial Projections (12 months)	✓	✓	✓
Business Bank Statements	3 months	12 months	24 months
Florida ID	✓	✓	✓
Balance Sheet or Financial Statements	<i>Not required</i>	✓	✓
Current Year's Budget	<i>Not required</i>	✓	✓
Social Security Card	<i>Not required</i>	✓	✓
Personal Financial Statement	<i>Not required</i>	✓	✓

* Items with optional template available on our website

REQUIRED FINANCIAL DOCUMENTS FOR NONPROFITS

	Based on Loan Size		
	Up to \$10K	Up to \$25K	Up to \$100K
Form 990	1 year	1 year	2 years
Roster and Contact Information for Board Members	X	X	X
Actual Cash Flow YTD	X	X	X
Financial Projections (12 months)	X	X	X
Business Bank Statements	3 months	12 months	24 months
Balance Sheet or Financial Statements	<i>Not required</i>	X	X
Current Year's Budget	<i>Not required</i>	X	X

**For nonprofit loan applicants, in lieu of these items, we request a list of prospective donations/incoming funding and Form 990.*

ABLE Loan Fund

Application Questions

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- 1) **Background** | Briefly describe your business. Include a description of the product or service you are selling, a description of your target market (customer) including how they benefit from the product or service, and a description of your staff, team, or consultants and your plan to hire if you need to add human capital.
- 2) **Purpose** | Describe how you will be investing the funds you are applying for. Include a description of the asset and its use within your business, how the asset will increase or enhance your business, your plan for meeting increased demand, how you will reach new or additional customers, and how having this asset will help your business reach future goals.
- 3) **Social Impact or Benefit** | Please describe impacts of this funding beyond the acquisition of the asset. Include new jobs to be created, existing jobs to be retained, benefits to staff not previously available, climate implications, and increased community access to goods and services.

To score well during review...

Background (1-3 pts each)



Owner(s)
represent many
aspects of
historical
disadvantage



Have paid
employees with
quality jobs



Located in
historically
underserved
community



Employees
reflect
communities of
historical
disadvantage

Proposal, Assets, etc. (1-5 pts each)



Have strong
financial
capacity



Explain how
your goods or
services benefit
the community



Funding will
transform
growth
trajectory



Have strong
organizational
capacity



Have concrete
and viable
plans to
acquire and
deploy asset

Loan Underwriting Criteria (80 of 163 Magic #)

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5cs – Capacity

- Business / Organization has documented proof that it can service the debt
- Owners (for Profit) can show the capacity to guarantee the debt with outside resources

5cs – Credit

- Business / Organization will earn points (or loose points) based on score, references, delinquencies ...
- Owners (for Profit) will earn points (or loose points) based on score, references, delinquencies ... ***all owners

5cs – Collateral

- Business / Organization will earn points based on the % of the loan that can collateralized by an asset, the life expectancy of that asset, and if the asset has another lien or is still owed
- Owners (for Profit) will earn points for independent collateral (no primary residences)

5cs – Conditions

- Business / Organization will earn points based on priorities of the program and other business conditions (job retention, job creation, ...)

5cs – Character

- Business / Organization will be able to proceed to next phase of underwriting if organization passes due diligence

Finances – Debit to Income & Collateral to Debt

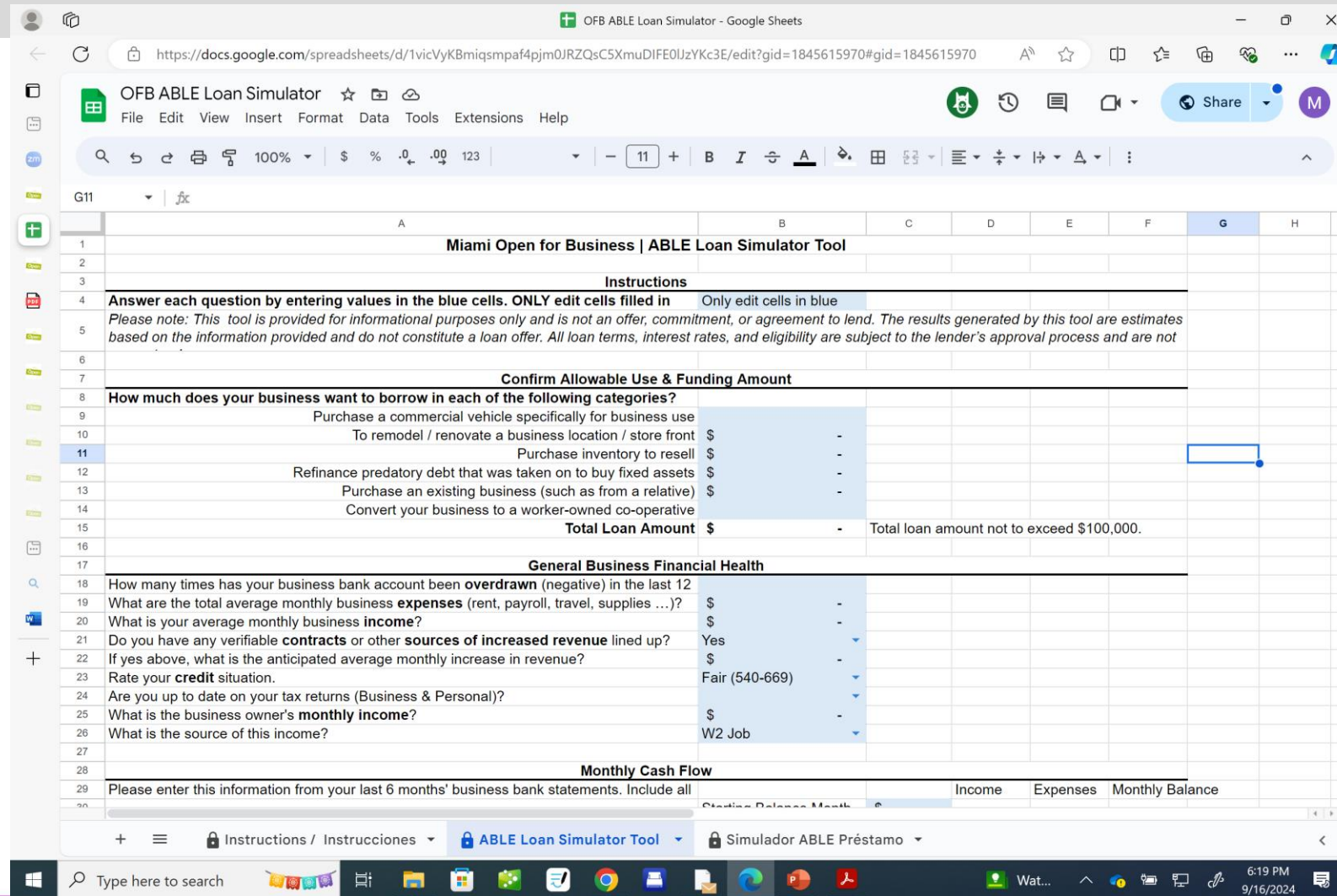
- Ideal ratios are 40% debt to income and 1 to 1 collateral to debt but points will be earned for unideal ratios as well

Loan Simulator :

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OFB ABLE Loan Simulator - Google Sheets

https://docs.google.com/spreadsheets/d/1vicVyKBmiqmpaf4pjm0JRZQsC5XmuDIFE0JzYKc3E/edit?gid=1845615970#gid=1845615970

OFB ABLE Loan Simulator

File Edit View Insert Format Data Tools Extensions Help

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Miami Open for Business | ABLE Loan Simulator Tool

Instructions

Answer each question by entering values in the blue cells. ONLY edit cells filled in Only edit cells in blue

Please note: This tool is provided for informational purposes only and is not an offer, commitment, or agreement to lend. The results generated by this tool are estimates based on the information provided and do not constitute a loan offer. All loan terms, interest rates, and eligibility are subject to the lender's approval process and are not

Confirm Allowable Use & Funding Amount

How much does your business want to borrow in each of the following categories?

Purchase a commercial vehicle specifically for business use	\$	-	
To remodel / renovate a business location / store front	\$	-	
Purchase inventory to resell	\$	-	
Refinance predatory debt that was taken on to buy fixed assets	\$	-	
Purchase an existing business (such as from a relative)	\$	-	
Convert your business to a worker-owned co-operative	\$	-	
Total Loan Amount	\$	-	Total loan amount not to exceed \$100,000.

General Business Financial Health

How many times has your business bank account been overdrawn (negative) in the last 12		
What are the total average monthly business expenses (rent, payroll, travel, supplies ...)?	\$	-
What is your average monthly business income ?	\$	-
Do you have any verifiable contracts or other sources of increased revenue lined up?	Yes	
If yes above, what is the anticipated average monthly increase in revenue?	\$	-
Rate your credit situation.	Fair (540-669)	
Are you up to date on your tax returns (Business & Personal)?		
What is the business owner's monthly income ?	\$	-
What is the source of this income?	W2 Job	

Monthly Cash Flow

Please enter this information from your last 6 months' business bank statements. Include all

Starting Balance Month	Income	Expenses	Monthly Balance

Instructions / Instrucciones | ABLE Loan Simulator Tool | Simulador ABLE Préstamo

To access the simulator use this link
[OFB ABLE Loan Simulator - Google Sheets](https://docs.google.com/spreadsheets/d/1vicVyKBmiqmpaf4pjm0JRZQsC5XmuDIFE0JzYKc3E/edit?gid=1845615970#gid=1845615970)

Where to Get Support



North Dade

- Miami Gardens or Opa Locka:
Miami-Dade Chamber of Commerce
- North Miami or North Miami Beach:
Branches

Central Dade

- Allapattah: Allapattah Collaborative CDC
- Hialeah or Little Havana: Prospera
- Brownsville, Liberty City, or Little Haiti:
79th Street Corridor Neighborhood Initiative
- Overtown: Opportunity Connect

South Dade

- Homestead, Leisure City, or Naranja:
South Dade Connections

Anywhere in Miami-Dade

- FL State Minority Supplier Dev Council (FSMSDC)

Nonprofits

- Radical Partners

Technical Assistance: What you can receive help with:

- **Navigating the Application Website**
- **Explanation / training on completing financial forms such as**
 - **Year to date financials**
 - **Financial projections**
 - **Personal financial statements**
- **Narratives**

Technical Assistance: What you will have to do on your own:

- **Meet the minimum requirements**
- **Gather your personal / business documents**
 - **Tax Returns**
 - **Bank Statements**
- **Data Entry**
 - **Completing the application**
 - **Entering data into the financial forms**

Technical Assistance: How to request it:



- **To request technical assistance visit [Through the Program | Miami Open For Business](#)**
- **Find a technical assistance provider in your area or select the county wide provider if you are not in an priority area (Non-profits select Radical Partners)**
- **Select Apply to Get Support here under your provider of choice**
- **Follow the instructions for each provider**

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Open for Q&A

If you have **specific questions** about your business or proposal, please contact us:

Email: openforbusiness@miamiofbloans.org

Text: 786-297-8166

Phone: 786-605-8585

Please clarify if your question is **technical** or **programmatic**