

Commercial Property Acquisition Fund

Frequently Asked Questions

What is the Commercial Property Acquisition Fund?

Mayor Bowser and the Office of the Deputy Mayor for Planning and Economic Development, in partnership with the Council of the District of Columbia, are strategically investing up to \$4 million in the Commercial Property Acquisition Fund. The Commercial Property Acquisition Fund is devised to provide down payment assistance through grants of up to \$750,000 or 25% of the sale price, whichever is less, to eligible DC-based businesses looking to maintain and expand their operations to a physical presence by acquiring commercial property located in the District.

Pursuant to Fiscal Year 2023 Budget Support Act of 2022, "effective September 21, 2022(B24-0714), the Commercial Property Acquisition Fund would offer grants aimed at providing much-needed support for equity impact enterprise business or business eligible to be a certified equity impact enterprise who seek to purchase and locate within commercial property within the District of Columbia. An equity impact enterprise is a resident-owned, small business that it is at least 51% owned by an individual who is, or a majority number of individuals who are economically-disadvantaged or have been subjected to racial or ethnic prejudice or cultural bias.

For the Commercial Property Acquisition Fund, the term "property" is defined as existing properties located in the District of Columbia that are zoned for the commercial use proposed by the applicant, including commercial condos and mixed-use properties. This excludes vacant or undeveloped plots of land that can be developed into commercial property.

Important Dates:

- Program Kick-Off November 17, 2022.
- Grant Readiness to begin the week of December 1, 2022.
- Grant application will open January 6, 2023.
- Grant application will open and funds will be awarded on a rolling basis until funds are expended.
- Awards will be made on a first-come, first-served basis to eligible applicants that demonstrate they are in a commercial acquisition process. Applicants need to provide a purchase agreement/letter of intent to purchase and lender preapproval to be selected.

Eligible applicant business requirements include:

- Must be an equity impact enterprise or business eligible to be an equity impact enterprise (EIE)
AND
 - Be independently owned and operated, in the case of a franchise
 - No more than 100 employees
 - Annual revenues less than \$15 million; and
 - Commit to own and operate a business in at least 25% of the leasable square footage of the acquired commercial property as an equity impact enterprise or business eligible to be an equity impact enterprise for at least 7 years.
- Property of interest must be located in the District of Columbia.
- Must employ at least one District resident (may include owner).
- Must be currently open & operating.
- Business must be in good financial standing and have been revenue generating prior to October 1, 2022.
- Must submit a Certificate of Clean Hands obtained within 90 days of application submission date.

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- Property must be zoned for the commercial use proposed by the applicant.
- Applicants currently under contract must not close on property before funds are disbursed.
- Applicants with multiple existing locations may occupy (rent) no more than two locations in the District prior to application submission.
- Applicants may not own other commercial property in the District (owner and/or business).
- Applicant may apply for assistance for only one commercial property.
- Applicants must provide at least 5% of the purchase price at closing for properties up to \$1.5 million and 8% for property \$1.5 million or greater.
- Must complete "CPAF 101" classes/webinars to be eligible.

Ineligible Businesses include:

- Construction companies
- Real estate consultants
- Real estate developers/investors/lenders

Eligible Properties Include:

- Buildings zoned for commercial use
- Commercial condos
- Mixed use property with less than 50% residential use

Example of ineligible properties:

- Residential House (R) Zones, Residential Flat (RF) Zones, Residential Apartment (RA) Zones,

Other Notes:

- Additional information and documents will be requested from the applicant prior to selection to confirm financial fitness to purchase and maintain commercial property.
- Must enter into First Source Agreement with DOES if award is greater than \$300,000.00.
- Must meet DSLBD Certified Business Enterprise Subcontracting Requirements.

FREQUENTLY ASKED QUESTIONS

When will I receive my award notification letter?

If a complete application is submitted and does not require additional documents, we anticipate conditional award notifications will begin as early as February.

If I am selected for the award, what are my next steps?

If selected for the award, you'll receive a notification letter from City First Enterprises outlining your next steps, which may include supplying additional documentation.

What are the minimum and maximum amount of funds that I can receive?

Eligible Businesses can receive up to \$750,000 or 25% of the down payment cost, whichever is lowest. This is based on funding availability.

Can I apply more than once for the same business? Will I receive grant funds on an annual basis?

This is a one-time grant and offers one application per business. If you own more than one business, you can only apply for one entity. Businesses operating in more than two locations at the time of application submission are not eligible for this grant program.

What if I can't provide my documents in time?

To be eligible for funding, businesses must provide all required documentation at the time of their application or when funds are expended.

My business opened after October 1, 2022. Am I eligible to apply?

No. We are only accepting applications from businesses who have opened and are revenue generating before October 1, 2022.

My business is permanently closed or temporarily closed with plans to reopen soon. Am I eligible to apply?

No. This fund is for businesses that are open and have a plan to remain open.

What types of businesses are ineligible to apply for the Commercial Property Acquisition Fund?

- Ineligible types of businesses include banks/lenders, financial services, construction firms, real estate developers, investors, real estate consultants, and seasonal businesses.

Is a Clean Hands Certificate required to be eligible to apply for the grant?

Yes. A current Clean Hands Certificate is required to apply for the grant. The Clean Hands Certificate must be obtained within 90 days of application submission date.

Can I ask a question about my materials before submitting my application?

Yes. Please email CPAF@cfenterprises.org with your question in as much detail as possible.

Are sole proprietors eligible to receive a grant from the Commercial Property Fund?

Sole proprietors are eligible to receive a grant provided they meet all of the eligibility qualifications.

I am a sole proprietor with a physical business presence in DC but my home residency is in Maryland, Virginia or another state. Am I eligible?

No. Sole proprietors must be DC residents. Note: This is one of the eligible requirements for Equity Impact Enterprise.

My business was established in and currently operates in another state or country, but I am looking to use these funds to open a physical presence in the District. Am I eligible?

No. Eligible businesses must be incorporated in the District and have already have an existing location in the City. Business owners must be DC residents.

I am an e-commerce business and currently lease a warehouse or office space but would like to open a physical storefront. Am I eligible?

Yes. The business is eligible to apply, as long as they do not currently own commercial property and do not occupy more than two existing physical properties at the time of application submission.

I would like to acquire a mixed-used space. Am I eligible?

Yes, however the majority of the property must be for commercial use.

I own a pop up/seasonal business. Am I eligible to apply?

No. Seasonal businesses are not eligible for this funding opportunity.

I am a non-profit organization. Am I eligible to apply?

No. Non-profit organizations are not eligible to apply.

I do not have a Basic Business License, or my Basic Business License is expired or has been revoked. Am I eligible to apply?

No. An active DC Business License is required to be eligible to apply to the Commercial Property Acquisition Fund and must be valid through 12/01/2023.

I recently renewed my DC Basic Business License, but I have not received the new official license yet.

If you have obtained a Basic Business License, but do not have the official copy yet, you are allowed to submit a receipt for the license with the license number included. If you do this, you must submit a copy of your Business License as soon as you receive a copy.

Once I apply for the Commercial Property Acquisition Fund., am I guaranteed to receive a grant?

No. This is a competitive grant. As funding is determined on a rolling basis and availability, we cannot guarantee that you will receive a grant if you apply for the fund.

What does it mean to be an “Equity Impact Enterprise” (EIE) or “EIE eligible”?

Your business must meet the following criteria to be EIE eligible. The definition for an EIE is below:

- Business is located in the District and DC resident-owned
- A small business enterprise that can demonstrate that it is at least 51% owned by an individual who is, or a majority number of individuals who are:
 - Economically disadvantaged individuals; or
 - Individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

Will the District require any additional documents for the Commercial Property Acquisition Fund?

In its sole discretion, the District and/or City First Enterprises may elect to request additional documents at any point of the application and/or funding process. The District and/or City First Enterprises will notify applicants and/or potential awardees of the documentation requirements.