

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 businesses looking to maintain and expand their operations to a physical presence by acquiring commercial property located in the District.

Pursuant to section 2132 of the Fiscal year 2022 Budget Support Emergency Act of 2021, effective August 23, 2021 (D.C. Act 24-0159.), the Commercial Property Acquisition Fund offers 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 will be used for commercial use only, including commercial condos. This excludes plots of land that can be developed into commercial property and mixed-use properties.

The Commercial Property Acquisition Fund will be open to businesses that meet the following criteria:

- Must be an equity impact enterprise or business eligible to be an equity impact enterprise
- Must be independently owned and operated, in the case of a franchise
- Must not have more than 100 employees at the time of application submission
- Annual revenues must be less than \$15 million
- Must 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 after the grant is awarded.
- Business must be established in the District of Columbia
- 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 and operating.
- Business must be in good financial standing and have been revenue generating prior to October 1, 2021.
- Must submit a Certificate of Clean Hands obtained within 90 days of application date
- Property must be zoned for commercial use only
- Grantee must provide at least 8% of equity at closing of property
- Applicants currently under contract must not close on property before funds are disbursed
- Applicants with multiple existing locations may occupy no more than two locations in the District prior to application submission
- Applicant may apply for assistance for only one commercial property.

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 December.

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, 2021. Am I eligible to apply?

No. We are only accepting applications from businesses who have opened and are revenue generating before October 1, 2021.

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, financial services, real estate development/property management/realtor businesses, seasonal/only open for part of the year businesses, and businesses looking to acquire mixed-use spaces.

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 an existing location. 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?

No. Eligible businesses must be acquiring a commercial property only.

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.

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.

I applied 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.