



WHEDA

Emerging Business and Workforce Development Program Manual

September 2018

EMERGING BUSINESS AND WORKFORCE DEVELOPMENT PROGRAM MANUAL - REVISIONS

Page Number	Paragraph	Revision Date	Old Language	New Language
Page 7	Par 1	9/28/2018	<p>Required with Workforce Development Program Monthly Reports:</p> <p>For all “New Hires”, Employer must submit a photocopy of the employees Application for Employment, and a photocopy of all completed Certificates of Employee/Employer to the initial Monthly Report submission. After the initial submission, photocopies of Applications for Employment and Certificates for “New Hires” may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report. <u>**For projects who received Tax Credit awards after January 1, 2017 – The Employer hereby certifies that the Employee was hired as a new employee for their company after the award was granted.</u></p>	<p>Required with Workforce Development Program Monthly Reports:</p> <p>For all “New Hires”, Employer must include a completed Certificate of Employee/Employer with the initial Monthly Report submission. After the initial submission Certificates for “New Hires” may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report.. <u>**For projects who received Tax Credit awards after January 1, 2017 – The Employer hereby certifies that the Employee was hired as a new employee for their company after the award was granted.</u></p>
Page 14	Par 2	9/28/2018	<p>Certifying Agencies:</p> <p>Emerging Business Program certifying agency/vendors: http://www.wheda.com/root/uploadedFiles/Website/Business_Partners/Emerging_Business/EB_Certif_Agencies_Vendors.pdf</p> <ul style="list-style-type: none"> • City of Madison • City of Milwaukee • Milwaukee County Community Business Development Partners (reliant upon Uniform Certification Program maintained by the Wisconsin Department of Transportation). • Small Business Administration/Wisconsin Office • Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce). • The Wisconsin Department of Transportation. • Wisconsin Supplier Development Council • US Department of Veterans Affairs • State of Wisconsin, Department of Veterans Affairs 	<p>Certifying Agencies:</p> <p>Emerging Business Program certifying agency/vendors: http://www.wheda.com/root/uploadedFiles/Website/Business_Partners/Emerging_Business/EB_Certif_Agencies_Vendors.pdf</p> <ul style="list-style-type: none"> • City of Madison • City of Milwaukee • Dane County – Unified Certification process with Milwaukee County and the City of Madison • Milwaukee County Community Business Development Partners • Small Business Administration/Wisconsin Office • State of Wisconsin Department of Transportation (DOT) • Wisconsin Department of Administration • Wisconsin Supplier Development Council • State of Wisconsin, Department of Veterans Affairs • US Department of Veterans Affairs
Page 1	Par 5	08/10/2017	<p>Participation goals by county:</p> <ul style="list-style-type: none"> • 25% - Dane, Jefferson, Kenosha, Milwaukee, Sheboygan, Ozaukee, Racine, Rock, Walworth, Washington, or Waukesha • 15% - Brown and Outagamie • 10% - Dodge and Fond du Lac • 5% - All other counties – voluntary participation 	<p>Participation goals by county:</p> <ul style="list-style-type: none"> • 25% - Dane, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Walworth, Washington, or Waukesha • 15% - Brown and Outagamie • 10% - Sheboygan, Dodge and Fond du Lac • 5% - All other counties – voluntary participation

Page 7	Par 2	8/10/2017	For all "New Hires", Employer must submit a photocopy of the employees Application for Employment, and a photocopy of all completed Certificates of Employee/Employer to the initial Monthly Report submission. After the initial submission, photocopies of Applications for Employment and Certificates for "New Hires" may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report	For all "New Hires", Employer must submit a photocopy of the employees Application for Employment, and a photocopy of all completed Certificates of Employee/Employer to the initial Monthly Report submission. After the initial submission, photocopies of Applications for Employment and Certificates for "New Hires" may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report. <u>**For projects who received Tax Credit awards after January 1, 2017 – The employer hereby certifies that the Employee was hired as a new employee for their company after the award was granted. The Tax Credit award was granted on _____, and the employee's date of hire was _____.</u>
ALL		04/29/2016	Web links not functioning	Web links updated
Cover Page	Cover Page	02/11/2014	June 28, 2013	February 11, 2014
Page 13	Par 2	2/11/2014	<p>Certifying Agencies: Emerging Business Program certifying agency/vendors: https://www.wheda.com/Emerging-Business/Certifying-Agencies-Vendors/</p> <ul style="list-style-type: none"> • City of Madison • City of Milwaukee • Milwaukee County Community Business Development Partners (reliant upon Uniform Certification Program maintained by the Wisconsin Department of Transportation). • Small Business Administration/Wisconsin Office • Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce). • The Wisconsin Department of Transportation. • Wisconsin Supplier Development Council • Department of Veteran Affairs 	<p>Certifying Agencies: Emerging Business Program certifying agency/vendors: https://www.wheda.com/Emerging-Business/Certifying-Agencies-Vendors/</p> <ul style="list-style-type: none"> • City of Madison • City of Milwaukee • Milwaukee County Community Business Development Partners (reliant upon Uniform Certification Program maintained by the Wisconsin Department of Transportation). • Small Business Administration/Wisconsin Office • Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce). • The Wisconsin Department of Transportation. • Wisconsin Supplier Development Council • US Department of Veterans Affairs • State of Wisconsin, Department of Veterans Affairs

Page 14	Par 1	2/11/2014	<p>Types of certifications:</p> <ul style="list-style-type: none"> · 8(a) Small, Disadvantaged Business – 8(a) – the Small Business Administration/Wisconsin office. · Disadvantaged Business Enterprise – DBE – the Wisconsin Department of Transportation, Milwaukee County Community Business Development Partners (reliant upon the Uniform Certification Program maintained by the Wisconsin Department of Transportation), or the City of Madison. · Emerging Business Enterprise – SBE – the City of Milwaukee. · Minority Business Enterprise – MBE – the Wisconsin Supplier Development Council, the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison. · Small Business Enterprise – SBE – the City of Madison. · Women Business Enterprise – WBE – the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison. · Disabled Veteran Owned Business Certification – DVB – the Department of Veteran Affairs. 	<p>Types of certifications:</p> <ul style="list-style-type: none"> · 8(a) Small, Disadvantaged Business – 8(a) – the Small Business Administration/Wisconsin office. · Disadvantaged Business Enterprise – DBE – the Wisconsin Department of Transportation, Milwaukee County Community Business Development Partners (reliant upon the Uniform Certification Program maintained by the Wisconsin Department of Transportation), or the City of Madison. · Minority Business Enterprise – MBE – the Wisconsin Supplier Development Council, the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison. · Small Business Enterprise – SBE – the City of Madison and City of Milwaukee · Women Business Enterprise – WBE – the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison. · Disabled Veteran Business – DVB – the Department of Administration. · Service-Disabled Veteran Owned Small Business – SDVOSB – US Department of Veterans Affairs. · Veteran-Owned Business – VOB – State of Wisconsin, Department of Veterans Affairs
Cover Page	Cover Page	6/28/2013	Changed the WHEDA Logo removing "We Do So You Can"	Only the WHEDA Logo is showing.
Cover Page	Cover Page	6/28/2013	May 3, 2013	June 28, 2013
Page 2	Par 2	6/28/2013	Submit written documentation to WHEDA including: the full name of the employee you wish to retain as a Workforce Program participant.	For those employees you wish to retain, please complete and submit LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form. The form will request the following: Employee name, date of initial hire, initial LIHTC project name and address that the employee worked on,
Page 2	Par 4	6/28/2013	Program's 12 divisions of construction	Program's twelve (12) divisions of labor
Page 3	Par 4	6/28/2013	Prospective area residents may apply for Program certification by completing a Workforce Development Program Certificates of Employee/Employer. The Employee portion of the Certificate is completed and submitted to the contractors/subcontractors with backup documentation verifying the permanent place of residence.	Prospective area residents who have submitted an Application for Employment with the contractors/subcontractors may apply for Program certification by completing a Workforce Development Program Certificates of Employee/Employer form. The "New Hire" employee is to complete the Employee portion of the Certificate and submit the certificate to the contractors/subcontractors with backup documentation verifying the permanent place of residence.

Page 3	Par 4 Bullet 1	6/28/2013	Attach a photocopy of all Certificates of Employee/Employer to the initial Workforce Development Monthly Report submission. After the initial submission, Certificates for new hires may be sent to WHEDA as they occur, or with the next monthly Report.	Attach a photocopy of all Certificates of Employee/Employer, along with a copy of the "New Hire" employees Application for Employment, and proof of permanent place of residence to the initial Workforce Development Monthly Report submission. After the initial submission, Certificates, Application for Employment for new hires, and proof of permanent place of residence may be sent to WHEDA as they occur, or with the next monthly Report.
Page 3	Par 4 Bullet 2	6/28/2013	Payroll reports for contractors/subcontractors employing Program participants must be submitted with the Monthly Workforce Development Report (See Section 4	Payroll reports for contractors/subcontractors employing Program participants must be submitted with the Monthly Workforce Development Report (See Section 3
Page 4	Par 2	6/28/2013	Owners must require contractors/ subcontractors working on the LIHTC development retain payroll records, and the original Certificates of Employee/Employer with proof of residency for the Workforce Development Program for a period of three (3) years after the contractor /subcontractor receives final payment under its' construction contract, and shall be made available to WHEDA for review upon reasonable notice	Owners must require contractors/ subcontractors working on the LIHTC development retain payroll records, employees Application for Employment and the original Certificates of Employee/Employer with proof of residency for the Workforce Development Program for a period of three (3) years after the contractor /subcontractor receives final payment under its' construction contract, and shall be made available to WHEDA for review upon reasonable notice.
Pg 6 & 7	Various Par.	6/28/2013	By the 20th of each calendar month following the commencement of LIHTC development construction, the owner will submit a Workforce Development Monthly Report to WHEDA detailing area resident employee name, phone, job title, residence information, start and/or end date, hours worked and job retention for the prior month.	By the 20th of each calendar month following the commencement of LIHTC development construction, the owner will submit a Workforce Development Monthly Report to WHEDA identifying all "New Hire" employees, and any employees who have been transferred from another LIHTC project. A new hire employee is one who recently completed an application for employment and was hired specifically for the LIHTC project. When completing the monthly report please include the following: employee name, phone, job title, residence information, start and/or end date, hours worked and job retention for the prior month
Page 7	Page 7	6/28/2013	Attach a photocopy of all Certificates of Employee/Employer to the initial Monthly Report submission. After the initial submission, Certificates for new hires may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report.	For all "New Hires", Employer must submit a photocopy of the employees Application for Employment, and a photocopy of all completed Certificates of Employee/Employer to the initial Monthly Report submission. After the initial submission, photocopies of Applications for Employment and Certificates for "New Hires" may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report.

Page Number	Paragraph	Revision Date	Old Language	New Language
Page 8	Page 8	6/28/2013	By the 20 th monthly, following construction commencement Monthly Report-Emerging Business and Monthly Report - Workforce Development accompanied by required Certificates of Employee/Employer and monthly payrolls.	By the 20 th monthly, following construction commencement Monthly Report-Emerging Business and Monthly Report - Workforce Development accompanied by required Certificates of Employee/Employer, photocopy of employees Application for Employment (new hires), and monthly payrolls. For those employees being Transferred from LIHTC project to another, please submit the LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form.
Page 8	Page 8	6/28/2013	Final Monthly Report Workforce Development accompanied by any remaining Certificates of Employee/Employer and the final monthly payrolls.	Final Monthly Report - Workforce Development accompanied by any remaining Certificates of Employee/Employer, Application for Employment (new hires), final monthly payrolls, and LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form for employees who transferred from another LIHTC project
Page 10	2nd bullet	6/28/2013	Submit written documentation to WHEDA, including: the full name of the employee you wish to retain as a Workforce Program participant, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant.	For those employees you wish to retain, please complete and submit LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form. The form will request the following: Employee name, date of initial hire, initial LIHTC project name and address that the employee worked on, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant.
Page 16 - Appendix B: Forms	Addition	6/28/2013		Certificate of Employee Job Site Transfer – Workforce Development Program Purpose: Verifies and details the initial LIHTC project that the employee worked on, and why a contractor/subcontractor wishes to retain the employee for an upcoming LIHTC project

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SECTION I: PROGRAM OVERVIEW

Guidelines and authorization for these Programs are within the Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit (LIHTC) program for the State of Wisconsin.

Emerging Business Program

The Emerging Business Program was created to encourage the involvement, utilization, and development of economically disadvantaged businesses in the State of Wisconsin. Participation is required with an award of Low-Income Housing Tax Credits (LIHTC) in certain counties in Wisconsin and is voluntary in others.

Emerging businesses must be certified by specific local, State or federal organizations in order to participate in the Program. Emerging Business goals, established by county, are based on percentages of allowable construction costs to include (not an all-inclusive list): general contracting, grading, excavation, concrete, paving, framing, electrical, carpentry, masonry, roofing, plumbing, painting, asbestos removal, trucking, landscaping, planning, architectural, and engineering fees.

Program-eligible hard costs are **redefined** as: "total Demolition" + "total Site Work" + "total New Construction / Rehab (**Subtract Personal Property and Contractor Profit**)" + "total Construction Contingency" and "**total Architectural & Engineering**", based on the initial LIHTC application.

Participation goals by county:

- 25% - Dane, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Walworth, Washington, or Waukesha
- 15% - Brown and Outagamie
- 10% - Sheboygan, Dodge and Fond du Lac
- 5% - All other counties – voluntary participation

Workforce Development Program

A companion program to the Emerging Business Program, the Workforce Development Program, was created to help both unemployed and underemployed individuals obtain living wage jobs in areas and counties surrounding LIHTC developments. Underemployed individuals, regardless of employment status, may qualify if their household income is at or below the **low (80% or below CMI)** income limits applicable to the Workforce participant's family size established by the Department of Housing and Urban Development (HUD) for the Section 8 Program. Refer to the applicable Metropolitan Statistical Area or County for current limits on WHEDA's website in the Multifamily Data Library area:

<https://www.wheda.com/Multifamily-Data-Library/>

The desired outcome of this program is the achievement of long-term employment, completion of apprenticeships or other job training programs and/or related work experience in a trade, simultaneously reducing unemployment and underemployment in the State of Wisconsin.

Owners receiving an award of LIHTC through WHEDA are encouraged to use the Workforce Development Program to strengthen the job market within the local community. For twelve (12) divisions of labor there is a minimum goal of one area resident hire per job classification. Refer to these divisions of labor for the Emerging Business Program:

<https://www.wheda.com/WorkArea/DownloadAsset.aspx?id=709>

Best efforts should be made to hire military veterans to work on all Emerging Business projects. Examples: contacts made with veteran's organizations and a list of veterans interviewed for Workforce participation.

Participation is measured by the total number of "New Hires" living in the county or the Milwaukee ZIP code who are unemployed or underemployed. This may include individuals who have been employed on a previous LIHTC project, if certain conditions are met. For those employees you wish to retain, please complete and submit LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form. The form will request the following: Employee name, date of initial hire, initial LIHTC project name and address that the employee worked on, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant.

Non-Wisconsin residents are excluded from participation in the program. WHEDA highly encourages owners and their subcontractors to register jobs created for awarded LIHTC developments on the Job Center of Wisconsin website: <https://jobcenterofwisconsin.com/>

This website serves as an additional tool connecting jobs with job seekers for the Program's twelve (12) divisions of labor.

In conjunction with job fairs, seminars, outreach and workshops for prospective employees, owner are encouraged to work with agencies, unions and other organizations fostering employment growth through apprenticeship and other training programs.

Measures of Success

Owners are required to submit documentation to WHEDA outlining a plan of action for compliance with Program goals after WHEDA issuance of a Reservation of LIHTC for the development. Throughout the construction process, required reports and documentation submitted to WHEDA will demonstrate owner's success in meeting program goals.

Owners must make good faith efforts to meet established Program participation goals. Throughout the process WHEDA will actively communicate with owners and monitor progress to ensure success. In the event an owner makes good faith efforts but is unable to meet either the Emerging Business or Workforce Development goals, WHEDA will consider waivers after a review of owner documentation substantiating attempts to fulfill program goals.

At the completion of the project, WHEDA will conduct a final reporting review to determine owner's success. This final stage of the process will assist in determining the success of the program. WHEDA will actively review these successes in order to enhance and improve overall program performance goals.

SECTION 2: PROGRAM DOCUMENTATION AND SUBMISSION REQUIREMENTS

Workforce Development Program - Eligibility, Wage Requirements, Work Conditions & Recordkeeping Requirements

Workforce Development Program hires are area residents certified as either unemployed or underemployed **who also permanently reside** in a Program eligible area surrounding a development awarded Low Income Housing Tax Credit (LIHTC). Non-Wisconsin residents **are ineligible**. There are twelve (12) divisions of labor for the Program. The desired hiring goal is one per division. Refer to these divisions of labor for the Emerging Business Program:

<https://www.wheda.com/WorkArea/DownloadAsset.aspx?id=709>

Area residents permanently residing in the county or ZIP code (for Milwaukee County) around LIHTC developments are eligible for Program participation if they:

- have worked less than 1,200 hours in the preceding 12 months, or
- have not worked in the preceding 30 days, and
- regardless of employment status, have household income at or below the **low (80% or below CMI)** income limits applicable to the Workforce participant's family size established by the Department of Housing and Urban Development (HUD) for the Section 8 Program. Refer to the applicable Metropolitan Statistical Area or County for current limits on WHEDA's website in the Multifamily Data Library area:

<https://www.wheda.com/Multifamily-Data-Library/>

Best efforts should be made to hire military veterans to work on all Emerging Business projects.

Prospective area residents who have submitted an Application for Employment with the contractors/subcontractors may apply for Program certification by completing a Workforce Development Program Certificates of Employee/Employer form. The "New Hire" employee is to complete the Employee portion of the Certificate and submit the certificate to the contractors/subcontractors with backup documentation verifying the permanent place of residence. **Contractors and subcontractors hiring Program participants must obtain documentation with the Certificate verifying the applicant's permanent residence is appropriate for the Program county or ZIP code (for Milwaukee county) requirement for the particular LIHTC development.** Examples of documentation: A Wisconsin Driver's license, a fully executed residential lease, a residential real estate tax bill, or a State of Wisconsin ID. Contractors/subcontractors execute the Employer portion of the Certificate after reviewing employee-submitted documentation, applicable Section 8 Low Income Limits for the employee's household size and location, and (when applicable) Milwaukee ZIP code information for the employee,

The following are required to be submitted to WHEDA (**fax, mail or email is acceptable**):

- Attach a photocopy of all Certificates of Employee/Employer, along with a copy of the "New Hire" employees Application for Employment, and proof of permanent place of residence to the initial Workforce Development Monthly Report submission. After the initial submission, Certificates, Application for Employment for new hires, and proof of permanent place of residence may be sent to WHEDA as they occur, or with the next monthly Report.
- Payroll reports for contractors/subcontractors **employing Program participants** must be submitted with the Monthly Workforce Development Report (See Section 3 – Flowchart of

Program Requirements). Payroll is not required to be in a prescribed format, but must contain: the LIHTC development name, names of **all** employees working on site, description of trade/work performed, hourly pay rate, hours worked, gross earnings and signature of authorized payroll person. Payrolls can be emailed, **but only after striking/redacting personally identifying information such as Social Security numbers and dates of birth so they are no longer visible prior to emailing.**

All workers shall receive equitable treatment, pay and work responsibilities. **Any worker hired under the program must receive, at minimum, a wage of \$11.50 per hour.** Pay rates must be comparable with those of other employees designated the same job title.

Owners must require contractors/ subcontractors working on the LIHTC development retain payroll records, employees Application for Employment and the original Certificates of Employee/Employer with proof of residency for the Workforce Development Program for a period of three (3) years after the contractor /subcontractor receives final payment under its' construction contract and shall be made available to WHEDA for review upon reasonable notice.

Overall Program Documentation

Owners participating in the Emerging Business and Workforce Development Programs are required to submit documentation to WHEDA commencing at the award of LIHTC to the development. A flowchart [**SECTION 3 – FLOWCHART OF PROGRAM REQUIREMENTS**] summarizes Program submission requirements and due dates. See the Emerging Business Program area for Forms and Guidance: <https://www.wheda.com/Forms/Emerging-Business/> & <https://www.wheda.com/Emerging-Business/Manual/>

Forms may be mailed, emailed or faxed. **Redact any personally identifying information before emailing.** Mailing Address: WHEDA, P.O. Box 1728, Madison, WI 53701-1728, Attn: Emerging Business Program. Fax number: 608-261-5928. For assistance with questions, contact Jesse Greenlee, the Emerging Business Program Manager (phone: 414-227-4348 - email: Jesse.Greenlee@wheda.com).

Reminder: Owners (or representative(s) they designate) are to maintain accurate and sufficiently detailed records of all initial and follow-up attempts to involve the participation of both emerging businesses and area residents. Documentation should be maintained showing all activities and actions taken, (i.e.: job fairs, mailings, emails, phone logs, notices, postings on websites) to meet participation goals. Should Program goals not be achieved, these records will be needed to prepare Good Faith Waiver Efforts Certification(s).

Certificate of Compliance - Emerging Business & Workforce Development

Within two weeks after the LIHTC award announcements posting on www.wheda.com the development owner submits this one page Certificate to WHEDA acknowledging: receipt and review of the Emerging Business and Workforce Development Manual, Program goals, and requirements for continued program compliance.

Outreach Plan – Emerging Business & Workforce Development

Within 120 days after WHEDA's issuance of a Reservation of LIHTC for the development, the owner submits an Outreach Plan and Outreach Plan Attachment to WHEDA detailing:

- reasonable and available means to be used to attract the interest of emerging businesses with the skills and capability to perform development contract work, and the intended hiring practices for unemployed or underemployed residents in the geographical area surrounding the LIHTC development.
- the estimated construction timeline and contact persons involved in the LIHTC development are submitted with the Outreach Plan.

Emerging Business outreach

Outreach to potential emerging businesses will involve steps to encourage participation and remove barriers preventing participation. This could involve a variety of activities.

Examples: holding pre-bid or site visit meetings; outreach advertising; posting Solicitations for Bids on www.wheda.com; making plans, specs and contract requirements readily available to all potential contractors in a timely manner; holding informational meeting(s) specifically for emerging business firms; breaking down contracted work into economically feasible units; utilizing services of available minority/women, community organizations, contractor's groups, or federal, State or local business assistance offices, and other organizations as allowed on a case-by-case basis to assist in recruiting and placement; or contracting a firm experienced in identifying and hiring emerging businesses.

Workforce Development outreach

Outreach for workforce development might involve job fairs, , partnering or contracting with those experienced in workforce development, public outreach or provided access to training to reach unemployed or underemployed area residents as well as military veterans. See the Outreach Plan for further details.

Participation Plan – Emerging Business Program

Within 45 days after closing of the construction financing for the LIHTC development owners submit an Emerging Business Participation Plan to WHEDA. This Plan details emerging business contracts, contractors and vendors; certifications the emerging business holds; and work to be performed and/or materials to be supplied and its dollar value. Owners should attempt to utilize emerging business participation at varying levels of job tasks.

Owners must do appropriate follow-up on initial bid requests to encourage participation of emerging businesses.

Emerging businesses may participate in the following ways:

- By performing select portions, rather than all contracted work. This increases the likelihood that Program's goals and intent will be achieved.
- As the prime contractor; consultant; subcontractor; joint venture partner with a prime or subcontractor; or as a vendor of materials, supplies, equipment, or trucking. Work to be performed by the emerging business must be clearly defined and satisfy requirements for ownership and control.

Restrictions on emerging businesses:

- Must maintain a certification through a certifying agency during the entire term of their contract on the LIHTC development. [See **Appendix A** for definition of a certifying agency and certification types]
- Must perform a commercially useful function. [See **Appendix A** for definition]

- For joint ventures, contract dollars applied to the Emerging Business Program goal is limited to the percent of the emerging business partner's participation in the joint venture.
- Suppliers of materials, equipment, and supplies for items required under the construction contract will be credited as shown below.
 - One hundred percent (100%) of expenditures when obtained from a wholesale/retail distributor that owns operates or maintains a store, warehouse, or establishment where these materials, equipment or supplies are purchased, kept stocked and regularly sold to the public. The distributor must engage in, as its principal business, in its own name, the purchase/sale of the products in question. Distributors of bulk items (steel, cement, gravel, stone, and petroleum products) need not stock these products if it owns or operates distribution equipment.
 - One hundred percent (100%) of expenditures for equipment, materials and supplies obtained from an emerging business manufacturer, subcontractor, or supplier who substantially alters the material before resale or installation.
 - Up to twenty percent (20%) of expenditures for equipment, materials and supplies obtained from an emerging business wholesale/retail broker, or packager that owns, operates, or maintains an establishment in which materials/supplies are ordered, not kept in stock, and/or not regularly sold to the public in the usual course of business. The broker or packager must engage in, as its principal business, in its own name, the brokering or packaging of the products in question.

A **revised Participation Plan** must be submitted to WHEDA when either of the following occurs:

- Changes in the emerging business participants in the LIHTC development (including change orders).
- When an emerging business no longer is eligible due to loss of certification through the certifying agency. [See **Appendix A** for definition of a certifying agency and certification types]

Monthly Progress Reports - Emerging Business & Workforce Development

Emerging Business Program

By the 20th of each calendar month following the commencement of LIHTC development construction, the owner will submit an Emerging Business Monthly Report to WHEDA detailing the emerging businesses working as subcontractors or suppliers, the work performed, or materials supplied, certification held by the emerging businesses, and contract/payment dollar amounts for the prior month. Owners must obtain signed Payment Certifications from each emerging business contractor/subcontractor who participated in the Program to verify payment in full for services performed. These Payment Certifications are required to accompany final reporting for the development, however, it is suggested they be collected from Program participants as final payments are made.

After completion of the LIHTC development construction, an Emerging Business Monthly Report, noted as "final" will be submitted to WHEDA with the final Payment Certification forms completed by all contractors/subcontractors who participated in the Program. [See ***LIHTC Development Places in Service*** below]

Workforce Development Program

By the 20th of each calendar month following the commencement of LIHTC development construction, the owner will submit a Workforce Development Monthly Report to WHEDA

identifying all “New Hire” employees, and any employees who have been transferred from another LIHTC project. A new hire employee is one who recently completed an application for employment and was hired specifically for the LIHTC project. When completing the monthly report please include the following: employee name, phone, job title, residence information, start and/or end date, hours worked and job retention for the prior month. After the last building in the LIHTC development is placed in service, a Workforce Development Monthly Report, noted as “final” will be submitted to WHEDA. [See **LIHTC Development Places in Service** below]

Required with Workforce Development Program Monthly Reports:

For all “New Hires”, Employer must include a completed Certificate of Employee/Employer with the initial Monthly Report submission. After the initial submission Certificates for “New Hires” may be mailed, emailed or faxed to WHEDA as they occur, or with the next monthly Report. ****For projects who received Tax Credit awards after January 1, 2017 – The Employer hereby certifies that the Employee was hired as a new employee for their company after the award was granted.**

The Tax Credit award was granted on _____, and the employee’s date of hire was _____.

- Payroll reports for contractors/subcontractors employing Program participants. Payroll is not required to be in a prescribed format, but must contain: the LIHTC development name, names of all employees working on site, description of trade/work performed, hourly pay rate, hours worked, gross earnings and signature of authorized payroll person. Payrolls can be emailed, **but only after striking/redacting personally identifying information such as Social Security numbers and dates of birth.**

LIHTC Development Places in Service - Emerging Business & Workforce Development

Immediately after the last building in the development places in service for purposes of the LIHTC program, the owner submits:

- A **final** Emerging Business Monthly Report accompanied by completed Payment Certifications from all emerging businesses involved in the development.
- A **final** Workforce Development Monthly Report accompanied by any final area resident Certificates.

Conclusion of Program Participation - Emerging Business & Workforce Development

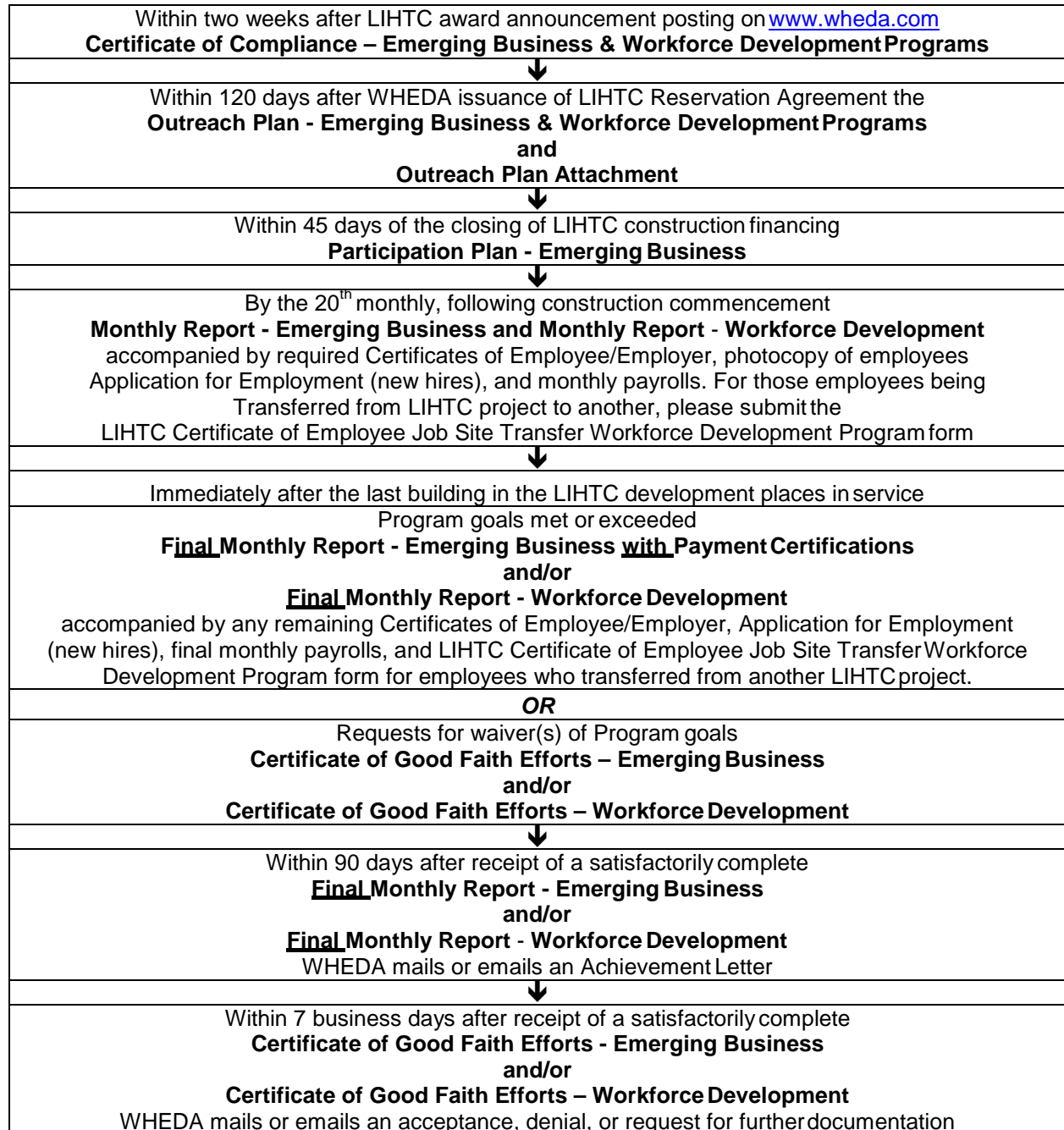
WHEDA will review the final documentation submitted for the Emerging Business and Workforce Development Programs for accuracy and completeness. Where Program goals were achieved and complete documentation submitted, a letter of Achievement will be issued within 90 days. Where a Certificate of Good Faith Efforts waiver is requested and complete documentation has been received, an acceptance or denial will be issued within 7 business days. When there are deficiencies in performance, a letter of noncompliance will be mailed to the LIHTC development owner. [See **SECTION 5 – FAILURE TO ACHIEVE PROGRAM GOALS**]

Compliance/Site Reviews by WHEDA

During the construction of a LIHTC development, WHEDA reserves the right to conduct compliance reviews and site visits to verify accuracy of Program information submitted for the LIHTC development.

SECTION 3: FLOWCHART OF PROGRAM REQUIREMENTS

A timeline of documentation submission requirements and WHEDA responses at Program conclusion(s) are shown below. Forms are available on WHEDA's website in the Emerging Business Program area: <https://www.wheda.com/Forms/Emerging-Business/>
*Forms may be mailed, emailed or faxed. **Strike/redact personally identifying information before emailing.*** Mailing Address: WHEDA, P.O. Box 1728, Madison, WI 53701-1728, Attn: Emerging Business Program. Fax: 608-261-5928. For assistance, contact Jesse Greenlee, the Emerging Business Program Manager phone: 414-227-4348 - email: Jesse.Greenlee@wheda.com



SECTION 4: GOOD FAITH EFFORTS WAIVER PROCEDURES

The owner must make good faith efforts to meet Emerging Business and Workforce Development Program goals. When an owner makes good faith efforts, yet cannot meet program goals, efforts taken must be documented and submitted to WHEDA on the appropriate Certificate of Good Faith Efforts form, along with supporting documentation.

Waivers must demonstrate all necessary and reasonable steps taken to achieve Program goals, which by scope, intensity, and appropriateness could reasonably be expected to obtain sufficient participation, although the owner was not successful.

Emerging Business Program

WHEDA will consider the following efforts by owners in determining whether to grant a waiver. Other relevant factors may also be considered.

- Initial and follow-up solicitations of emerging businesses through all reasonable and available means.
- Posting of Solicitations for Bids on www.wheda.com
- Providing emerging businesses with information regarding plans and specifications, allowing them sufficient time to respond.
- Negotiating in good faith with interested emerging businesses. The owner is responsible to make a portion of work available to emerging business contractors and suppliers and to select portions of work consistent with available contractors.
- Working with organizations and groups to place emerging businesses.
- Holding pre-bid, site or other informational meetings to enable the involvement of emerging businesses.

Samples of disallowed reasons for waivers - - not meant to be all-inclusive:

- An owner's desire or ability to perform contract work with its own organization rather than emerging businesses.
- Rejecting reasonable additional costs involved in procuring and utilizing emerging businesses. [Owners are not required to accept higher quotes from emerging businesses where the price difference is excessive or unreasonable.]
- No effort to assist interested emerging businesses in obtaining necessary resources or related assistance or services.
- Not effectively using the services of groups or organizations that provide assistance in the recruitment and placement of emerging businesses.

In determining Emerging Business good faith efforts, WHEDA may take into account the performance and success of other owners who have done development in the same city, county or ZIP code as the LIHTC development. WHEDA will review requests for waivers and may investigate efforts made in order to verify the information provided. A written response will be sent to the owner within seven (7) working days of receipt of a completed waiver request form with all required supporting documentation.

Workforce Development Program

WHEDA will consider the following efforts by owners in determining whether to grant a waiver. Other relevant factors may also be considered.

- Initial and follow-up outreach efforts to attract area resident participation through all reasonable and available means.
- Retention of Workforce Program participants employed on a previous LIHTC project where certain conditions are met. For those employees you wish to retain, please complete and submit LIHTC Certificate of Employee Job Site Transfer Workforce Development Program form. The form will request the following: Employee name, date of initial hire, initial LIHTC project name and address that the employee worked on, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant.
- Written contacts with agencies, consultants, associations or organizations to promote hiring of area residents.
- Contacts made with veteran's organizations and a list of veterans interviewed for Workforce participation.
- Attempts to provide information to area residents about job training programs that would provide them with the necessary skills to obtain employment at the LIHTC development.

Samples of disallowed reasons for waivers - - not meant to be all-inclusive:

- Not effectively using the services of agencies, consultants, and others industry professionals to attract area residents.
- No efforts to provide area residents information on training or job fair opportunities that promote the trades/skills needed by contractors/subcontractors hiring for the LIHTC development.

SECTION 5: FAILURE TO ACHIEVE PROGRAM GOALS

If an owner fails to comply with Emerging Business or Workforce Development Program requirements, a notice of noncompliance will be issued. When the owner receives a notification of noncompliance from WHEDA, the owner has an opportunity to respond in writing within the prescribed correction period. The owner will have 60 days from the date of written notification by WHEDA in which to respond. In the case of non-submission of required reports and/or information the owner will have no more than 30 days in which to submit the missing item(s).

If the noncompliance is not corrected within this time, or a plan for correction has not been agreed upon, the owner will be considered to be “not in good standing” with WHEDA. Once the noncompliance is corrected, this designation will be removed. While the owner is “not in good standing”, they may be ineligible to be part of the development team for any new Low-Income Housing Tax Credit (LIHTC) awards. WHEDA also has the right to enforce specific performance in a state court of competent jurisdiction.

SECTION 6: ETHICS/WHISTLEBLOWER HOTLINE

The Ethics/Whistleblower hotline provides participants in the Emerging Business and Workforce Development Programs with a vehicle to report incidents of fraud, waste, abuse, and conflicts of interest. The toll-free hotline is available 24/7 365 days per year so users can call at their convenience. You may remain anonymous. The process is confidential. For additional details, refer to the Ethics/Whistleblower Hotline FAQs:

http://www.wheda.com/root/uploadedFiles/Website/Business_Partners/Emerging_Business/EB_Whistleblower%20FAQ.pdf

If you do not have access to the internet readily available, the following information will allow you to call the hotline and file a report.

- Call 800-481-9589; toll free, 24/7.
- You will be prompted to select a language (translation services in more than 150 languages are available 24/7) and a prerecorded message will provide a brief message on the hotline.
- An experienced interview specialist will introduce themselves and begin the process, which is a series of questions asked of the caller.
- The interviewer will explain the process which takes between 10 to 15 minutes for a new report. If the call is a follow-up call for an existing report, the interviewer will work with you to provide status or may ask additional questions as requested by the case manager.
- The interviewer will insure that you are satisfied with the report. Prior to ending the conversation, the interview specialist will provide a report number for new incidents and will ask that you call back for follow-up, typically within two weeks. **Write this report number down, it will be required for any follow-up calls.**

When you have completed your report, the interview specialist will provide a report number and a call back date. To ensure that your report is being properly investigated, you should call back on the date provided. When you call back (800-481-9589; toll free, 24/7), you must provide the report number to the interview specialist. The interview specialist will advise you of the status of your report or may ask you additional questions

A WHEDA Case Manager will be assigned to each incident that is reported. It is his/her responsibility to ensure the incident is properly investigated and appropriate action is taken.

WHEDA believes that the only way the Ethics Hotline can be successful in its purpose to provide Program participants and business partners with a vehicle to report incidents of fraud, waste, abuse, and conflicts of interest, is to eliminate any possibility of retaliation on the part of WHEDA, LIHTC owners, subcontractors/contractors and others involved in the process. This pledge by WHEDA applies regardless of your decision to remain anonymous.

The information gathered from the hotline report belongs to WHEDA, not the hotline service provider. WHEDA determines what information the general public has rights to, and what should fall under regulations that protect sensitive information from public record scrutiny. The Freedom of Information Act declares that a government agency's records are subject to disclosure upon request, EXCEPT records "solely related to internal personnel rules and practices" or records like personnel files, which would lead to an invasion of personal privacy.

APPENDIX A: PROGRAM DEFINITIONS

Area Resident:

Individuals certified under the Workforce Development Program as either unemployed or underemployed **and** permanently reside in a Program eligible area determined by either county or ZIP code (for Milwaukee county) surrounding a development awarded Low Income Housing Tax Credit (LIHTC). WHEDA may also accept the retention of Workforce Program participants employed on a previous LIHTC project if certain conditions are met. Submit written documentation to WHEDA, including: the full name of the employee you wish to retain as a Workforce Program participant, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant. **Best efforts should also be made to hire military veterans for all Emerging Business projects.** The hiring contractor or subcontractor collects/reviews and certifies the accuracy and completeness of documentation submitted and certified by the area resident.

Certifying Agencies:

Emerging Business Program certifying agency/vendors:

http://www.wheda.com/root/uploadedFiles/Website/Business_Partners/Emerging_Business/EB_Certif_Agencies_Vendors.pdf

- City of Madison
- City of Milwaukee
- Dane County – Unified Certification process with Milwaukee County and the City of Madison
- Milwaukee County Community Business Development Partners
- Small Business Administration/Wisconsin Office
- State of Wisconsin Department of Transportation (DOT)
- Wisconsin Department of Administration
- Wisconsin Supplier Development Council
- State of Wisconsin, Department of Veterans Affairs
- US Department of Veterans Affairs

Commercially Useful Function:

A person or entity is deemed to perform a "commercially useful function" if the person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or development **through which funds are passed** in order to maintain the appearance of emerging business participation.

Emerging Business:

A firm that currently holds a certification from a certifying agency:

<https://www.wheda.com/Emerging-Business/Certifying-Agencies-Vendors/>

Types of certifications:

- 8(a) Small, Disadvantaged Business – **8(a)** – the Small Business Administration/Wisconsin office.
- Disadvantaged Business Enterprise – **DBE** – the Wisconsin Department of Transportation, Milwaukee County Community Business Development Partners (reliant upon the Uniform Certification Program maintained by the Wisconsin Department of Transportation), or the City of Madison.
- Minority Business Enterprise – **MBE** – the Wisconsin Supplier Development Council, the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison.
- Small Business Enterprise – **SBE** – the City of Madison and City of Milwaukee.
- Women Business Enterprise – **WBE** – the Wisconsin Department of Administration (formerly administered by the Wisconsin Department of Commerce), or the City of Madison.
- Service-Disabled Veteran Owned Small Business – **SDVOSB** – US Department of Veterans Affairs.
- Veteran-Owned Business – **VOB** – State of Wisconsin, Department of Veterans Affairs.
- Disabled Veteran Business – **DVB** – Wisconsin Department of Administration.

Emerging Business Program:

Program to encourage the participation of qualified economically disadvantaged businesses in awarded LIHTC developments.

Good Faith Efforts Waiver:

Granted by WHEDA to owners unable to meet the Emerging Business or Workforce Development participation goals if WHEDA determines, based on information submitted by the owner, that good faith efforts were made to meet participation goals.

Monitor:

The act of reviewing and verifying the reports and information regarding Emerging Business and Workforce Development Program participation submitted to WHEDA by LIHTC development owners.

Owner:

The person or entity that owns a development awarded Low Income Housing Tax Credits (LIHTC).

Participation Goal:

The minimum percentage of the Project Cost Subject to Participation (extracted from the online LIHTC application submitted to WHEDA) expected to be contracted with emerging businesses.

Pass-through:

An emerging business that does not perform a commercial useful function and its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of emerging business participation.

Project Costs Subject to Participation:

Includes the following project cost categories in the online LIHTC application: "total Demolition" + "total Site Work" + "total New Construction / Rehab (**Subtract Personal Property and Contractor Profit**)" + "total Construction Contingency" and "**total Architectural & Engineering**".

Resident – See Area Resident

Selected ZIP Codes:

The Milwaukee county ZIP codes in which a LIHTC development is located:
<https://www.wheda.com/WorkArea/DownloadAsset.aspx?id=711>

Unemployed or Underemployed Area Residents:

An area resident who has worked less than 1,200 hours in the preceding 12 months, has not worked in the preceding 30 days, or, regardless of employment status, has household income at or below the **low (80% or below CMI)** income limits applicable to the Workforce participant's family size established by the Department of Housing and Urban Development (HUD) for the Section 8 Program. Refer to the applicable Metropolitan Statistical Area or County for current limits on WHEDA's website in the Multifamily Data Library area:

<https://www.wheda.com/Multifamily-Data-Library/>

Best efforts should be made to hire military veterans for all Emerging Business projects.

Workforce Development Program:

Program to provide jobs to unemployed and underemployed residents permanently residing within the county, or selected ZIP codes (for Milwaukee County) around an awarded LIHTC development. **Best efforts should be made to hire military veterans for all Emerging Business projects.** WHEDA may also accept the retention of Workforce Program participants employed on a previous LIHTC project if certain conditions are met. Submit written documentation to WHEDA, including: the full name of the employee you wish to retain as a Workforce Program participant, reasons why you wish to retain this employee on an upcoming project, details of training you provided to the individual, and list what trade/skill(s) the employee has achieved since being hired as a Workforce Program participant.

APPENDIX B: FORMS

Forms are posted on WHEDA's website in the Emerging Business Program area:
<https://www.wheda.com/Forms/Emerging-Business/> Unless otherwise indicated, the owner of the LIHTC development is responsible for completion and submission of the following forms.

Certificate of Compliance - Emerging Business & Workforce Development Programs

Purpose: Acknowledges receipt of the Emerging Business & Workforce Development Program Manual, overall participation goals and continued compliance requirements.

Certificate of Good Faith Efforts - Emerging Business Program

Purpose: Allows owners to submit a request to waive Program goals if they are not attained. Used by WHEDA to determine good faith efforts.

Certificate of Good Faith Efforts - Workforce Development Program

Purpose: Allows owners to submit a request to waive Program goals if they are not attained. Used by WHEDA to determine good faith efforts.

Certificates of Employer/Employee - Workforce Development Program

Purpose: Verifies the permanent residence and employment/underemployment status of area residents hired to work on the LIHTC development.

Certificate of Employee Job Site Transfer – Workforce Development Program

Purpose: Verifies and details the initial LIHTC project that the employee worked on, and why a contractor/subcontractor wishes to retain the employee for an upcoming LIHTC project.

Monthly Report - Emerging Business Program

Purpose: Verifies and details Program payments made to subcontractors and suppliers during the prior month and cumulative to date. A **final** Monthly Report is submitted after the last building in the LIHTC development places in service.

Monthly Report - Workforce Development Program

Purpose: Verifies and details monthly area resident employment Program data. A **final** Monthly Report is submitted after the last building in the LIHTC development places in service.

Monthly Checklist - Emerging Business and Workforce Development Program

Purpose: Aide in the submission of monthly reports and backup documentation.

Participation Plan - Emerging Business Program

Purpose: Identifies Program contractors and suppliers, work to be performed, type of EB certification held and the estimated contract amounts.

Payment Certification - Emerging Business Program

Purpose: Certifies emerging businesses working on the LIHTC development received full and final payment for services.

Outreach Plan - Emerging Business & Workforce Development Programs

Purpose: Identifies all activities planned to meet Program goals.

Outreach Plan Attachment - Emerging Business & Workforce Development Programs

Purpose: Identifies the estimated LIHTC construction timeline and contact persons/firms for the Emerging Business & Workforce Development Programs.