

# VITALITY FUND

## PROGRAM GUIDE

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## OVERVIEW AND PURPOSE

Offered by the Office of the Deputy Mayor for Planning & Economic Development (DMPED), the Vitality Fund (aka Employment Center Vitality and Local Jobs Creation Fund) will attract companies to, or help companies stay and expand in the District of Columbia, with a preference for attraction to or retention and expansion in the [Vitality Fund Target Area](#). Applicants must meet certain employment, office space size, industry sector, and workforce development or local business contracting requirements to be eligible for this grant program.

This is a discretionary, performance-based program designed as an incentive to encourage companies to locate and expand in the District awarded in the form of a multi-year grant. Preference will be given to applicants that have not publicly announced a relocation or expansion, or that have not engaged in activities that would indicate a location decision has been made, prior to applying.

Award determinations are made by an internal review committee and final project approval is given by the Deputy Mayor.

The total award amount and annual disbursements are subject to the availability of funding in each fiscal year.

## ELIGIBILITY

### ELIGIBLE APPLICANTS

Applicants must meet the following eligibility requirements to be considered for this incentive program:

- Have 25 or more full-time employees that will be assigned to the DC location at the time of the application
- Lease or own, or agree to lease or acquire, a physical office or business location of at least 7,000 square feet in the District of Columbia
- Enter into an agreement with the District to remain in the leased or owned space for at least five (5) years
- Be in one of the following industry sectors:
  - Big Data
  - Cloud and Computer Systems
  - Communications
  - Consulting Services
  - Education
  - Education Technology
  - Finance and insurance
  - Food Technology
  - Impact Economy
  - Life Sciences
  - Manufacturing
  - Marketing
  - Professional Services
  - Research
  - Technology and Innovation

## **INELIGIBLE APPLICANTS**

The following businesses are not eligible to receive funding through the Vitality Fund:

- Businesses with fewer than 25 full-time employees that are or will be assigned to the DC location at the time of application
- Businesses that lease or own, or will lease or own, less than 7,000 square feet at the time of application
- Businesses that are not in an eligible industry, including, but not limited to, Construction, Entertainment (venues), Hospitality (primary business location provides overnight accommodations), Restaurants (primary business location provides food service), and Retail (primary location sells retail goods).

## **MINIMUM REQUIREMENTS**

Eligible applicants must meet the following minimum requirements to be considered for this incentive program:

- Require employees, in the aggregate, to be on-site at the location for at least 50% of their work hours
- Commit to one of the following:
  - Implement or participate in a workforce development program that offers DC residents opportunities for training or employment within the business or the industry in which it operates (See "Example Workforce Development and Training Programs" section below)
  - Commit to spending at least 5% of total annual contracting with businesses eligible for certification as local business enterprises during the 5-year period
- Preference will be given to applicants that have not publicly announced a relocation or expansion, or that have not engaged in activities that would indicate a location decision has been made, prior to submitting an application.
- Licensed business in Good Standing with the DC Department of Consumer and Regulatory Affairs (DCRA), the Office of Tax and Revenue (OTR), the Department of Employment Services (DOES), and Internal Revenue Service (IRS). Must maintain their Good Standing status with the aforementioned entities throughout the pre-award process and the grant's period of performance.

## **USES OF FUNDS**

### **ELIGIBLE FUNDING USES**

Program funds may be used for the following:

- Rent
- Tenant improvements
- Down-payment assistance
- Initial startup capital
- Operational costs
- Workforce training or professional development costs not eligible for support through other workforce programs
- Recruitment and hiring costs

### **INELIGIBLE FUNDING USES**

The following are NOT eligible uses of funds:

- Real estate/property taxes
- Sales taxes
- Permit fees and License fees
- Travel expenses

## APPLICATION SUBMISSION GUIDELINES

Applicants interested in the Vitality Fund will complete and submit the online intake form <https://app.smartsheet.com/b/form/f7244f514e96483a9c0d26e76c49413f> to verify that the applicant meets standard eligibility criteria. *The applicant will only complete the online intake form if they have not already been screened for eligibility.* A Project Manager from DMPED’s Business Development team will share the application link once eligibility and project details have been confirmed. See Application Review Process in the following section for more details.

All applications must be submitted via the online application form.

Applications will not be accepted in any other format (e.g. PDF, Word, Excel, etc.) or through any other channel outside of the online application form.

Applicants will be required to upload the following documents with this application for eligibility verification:

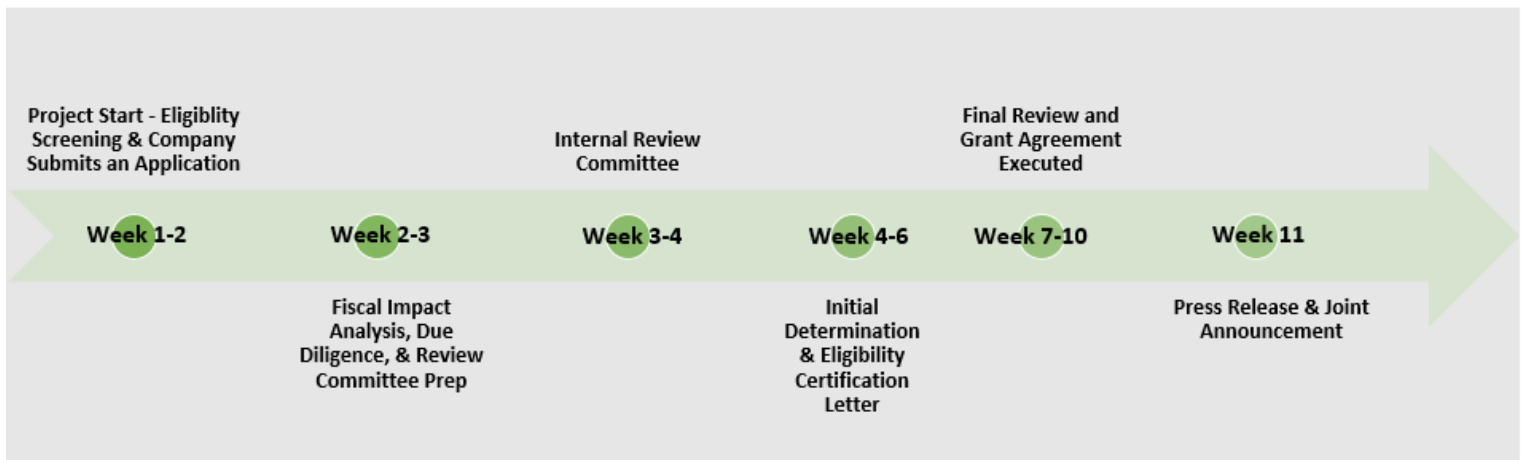
1. Letter of Intent, Lease, Deed, or Landlord Affidavit verifying square feet and length of lease
2. Roster of Employees or Positions that are currently assigned, or will be relocated to the DC location

DMPED is not responsible for malfunctions of the online platform. Applications that encounter technical system errors must be reported to the DMPED using this email: [bizdev@dc.gov](mailto:bizdev@dc.gov).

## APPLICATION REVIEW PROCESS

The grant application process will include an eligibility screening of applicants, application submission, followed by a fiscal impact analysis, due diligence, evaluation by an internal review committee, and a final approval of funding by the Deputy Mayor.

The general steps are described below.



**NOTE:** Estimated timeframe for Application Process is 8-10 weeks from the time an application has been submitted to when the final performance agreement is executed.

### 1. Project Start - Eligibility Screening and Application Submission (Week 1-2)

Applicants interested in the Vitality Fund will complete and submit the online intake form <https://app.smartsheet.com/b/form/f7244f514e96483a9c0d26e76c49413f> to verify that the applicant meets standard eligibility criteria. *The applicant will only complete the online intake form if they have not already been screened for eligibility.*

If it is determined that the company meets the standard eligibility requirements based on the information provided in the intake form, a Project Manager (PM) from DMPED’s

Business Development team will contact the applicant to confirm the following project investment details about the applicant for due diligence and compliance. The PM will share the application link once eligibility and details have been confirmed.

- Real estate requirements
- Capital investment
- New jobs
- Wages
- Timing of decision making and investment
- Where the investment will be made and whether any relocation will occur
- Review program details and incentive processes to ensure applicant is aware

Once the application has been submitted, the PM will review the information then contact the applicant to verify details and discuss next steps. The PM will continue to engage with the company throughout the application process.

## **2. Fiscal Impact Analysis, Due Diligence, and Internal Review Committee Prep (Week 2-3)**

Once the PM verifies the applicant's eligibility, confirms project investment details, and collects supplemental information about the applicant, DMPED will conduct an economic impact analysis for the project and conduct due diligence on the company.

The PM will continue to conduct due diligence periodically.

## **3. Internal Review Committee (Week 3-4)**

After conducting an economic impact analysis and due diligence on the applicant, the PM will submit the application to an internal review committee. To ensure fair assessment of grant applications, the review committee will comprise individuals from DMPED and the Washington DC Economic Partnership (WDCEP) to evaluate eligible applicants and submit a recommendation for funding.

The committee members will review screened applications and make an initial determination of eligibility and the incentives the company is eligible to receive.

## **4. Initial Determination and Eligibility Certification Letter (Week 4-6)**

If approved by the Review Committee, the PM will submit an Eligibility Certification Letter and recommendations for Deputy Mayor's preliminary approval.

The Eligibility Certification Letter serves as written confirmation that the Application was reviewed by the Review Committee and the Deputy Mayor and outlines the incentives the Applicant is eligible to receive. This will include, recommended performance terms, performance period, and an eligible award amount. The Eligibility Certification Letter is a non-binding draft of incentives.

Once the Eligibility Certification Letter is signed by Deputy Mayor, the PM will send Eligibility Certification Letter to the Applicant.

## **5. Final Review and Grant Agreement Executed (Week 7-10)**

Based on the review committee recommendations, the Mayor's budget priorities, the availability of funding, and the goals of the program, DMPED will make the final funding decision. DMPED will send a final Grant Agreement inclusive of all performance terms (award amount, jobs and investment schedule, payment schedule, workforce development or contracting commitment, and compliance requirements) to the Applicant for review and execution.

After the Applicant signs the Grant Agreement, the Deputy Mayor will make final approval and sign the Grant Agreement.

## **6. Press Release and Joint Announcement (Week 11)**

The PM will coordinate with the Applicant and all relevant parties involved to develop a joint press release/announcement following the execution of the Grant Agreement.

## **PERFORMANCE TERMS AND CONTRACT PERIOD**

**Performance Terms** will describe the number of new jobs, the average wage, and the capital investment required in order to receive the determined award. The applicant will provide these details in the Vitality Fund application and the PM will verify this information throughout the application process prior to execution of the Grant Agreement.

**Contract Period:** Awards should generally be structured around a Contract Period with a five-year performance and payment period (maximum) and an additional two-year maintenance period (maximum). During the maintenance period, companies will verify through Compliance that the Project jobs and investment continue to be in place.

When possible, Performance Terms and Contract Periods should match items provided in the Project and Investment Details section of Application.

## **AWARD AMOUNT DETERMINATION**

The award amount is based on several elements, including fiscal impact, number of new jobs, wage levels, overall employment in the District, amount of capital investment, and alignment with the program's goals and DC's economic strategy.

Final award determinations are made by the internal review committee subject to final approval by the Deputy Mayor.

## **AWARD DISBURSEMENTS PROCESS**

The awards are intended to be paid out annually over the defined performance period based on the performance targets being met.

The Vitality Fund performance-based award amount payment will be disbursed following receipt and verification of annual reporting performed by the Awardee. The reporting period will be based on the calendar year rather than fiscal year. An example schedule and awardee lifecycle with timeline are in the following sections for reference.

The annual payment during the contract period will be based on the proportion of job goals met for that year. The job goals will be finalized before the Grant Agreement is signed.

**The total award amount and annual disbursements are subject to the availability of funding in each fiscal year.**

## **ANNUAL REPORTING AND COMPLIANCE PROCESS**

The Awardee will be required to provide annual reporting and compliance documents to DMPED by January 31 each year to demonstrate compliance for the prior calendar year. DMPED will review and validate reports. Once compliance has been confirmed, payments will be made by April each year. See reporting, compliance, and disbursement schedule below for reference.

| <b>Example Schedule for One Performance Period by in a Calendar Year (CY)</b> |  |
|---|--|
| <b>January - December Year 1</b>  | <i>Performance Period 1</i>  |
| <b>January / February Year 2</b>  | Awardee Submits Annual Reporting for Performance Period 1  |
| <b>March Year 2</b>   | DMPED Reviews Reports to Verify Awardee is Compliant / Meets Performance Targets and begins internal processes to issue payments |
| <b>April Year 2</b>   | Awardee's funds are disbursed for Performance Period 1   |

- The Awardee should be considered compliant so long as jobs and other targets are met and maintained.
- Annual disbursements may be reduced proportional to the percent of targets met
- The DMPED Grants Team will solicit completion of the Compliance forms by the Awardee on an annual basis.

## **ANNUAL REPORTING AND COMPLIANCE DOCUMENTS**

| <b>Project Requirements</b> | <b>Documentation / Verification</b>                     | <b>Notes</b>  |
|-----------------------------|---|---|
| New Jobs                    | <a href="#"><u>Annual Compliance Report Example</u></a> | The company's annual award amount will be determined by these project factors and whether the company meets these targets. Other discretionary elements may influence the award amount. |
| New Wages                   |   |   |
| Total Investment            |   |   |

| <b>Program Requirements</b>   | <b>Documentation / Verification</b>  | <b>Notes</b>  |
|---|--|---|
| Require employees, in the aggregate, to be on-site at the location for at least 50% of their work hours.  | Company will need to provide a statement of its in-office policy and annually affirm that the policy is still in effect or highlight any event or change that would impact their compliance. | Company must demonstrate that they complied with these requirements when they submit their annual reports to receive funding. |
| Implement or participate in a workforce development program that offers DC residents opportunities for training or employment within the business or the industry in which it operates. | Community benefits included in the Grant Agreement will determine reporting. This will vary based on project.  |   |
| Commit to spending at least 5% of its total annual contracting with businesses eligible for certification as local business enterprises during the 10-year period.                      | See examples of existing workforce development programs in "Example Workforce Development and Training Programs" below.  |   |

## **REPORTING REQUIREMENTS**

Additional reporting requirements may be required by federal, or District regulations and will be included in the Grant Agreement.

## AWARDEE LIFECYCLE EXAMPLES WITH TIMELINE

The two examples below demonstrate the Performance/Payment Period and Maintenance Period for 2 projects:

- Example 1: Awardee Life Cycle Over 3-Year Performance/Payment Period and 2-year Maintenance Period. Contract period is 5-years total.
- Example 2: Awardee Life Cycle Over 5-Year Performance/Payment Period (Maximum) and 2-year Maintenance Period. Contract period is 7-years total.

| CY2023   | CY2024   | CY2025                      | CY2026                      | CY2027   | CY2028   | CY2029 |
|--|--|-----------------------------|-----------------------------|--|--|--------|
| <i>Example 1: Awardee Life Cycle Over 3-year Performance/Payment Period and 2-year Maintenance Period</i>            |  |                             |                             |  |  |        |
| <ul style="list-style-type: none"> <li>• Application Process Complete</li> <li>• Grant Agreement Executed</li> </ul> | <b>Performance and Payment Period</b><br>a) Annual Compliance Reports Submission (January) and Verification (February)<br>b) Payment Disbursed (March/April) |                             |                             | <b>Maintenance Period</b><br>Annual Compliance Reports Submission and Verification |  |        |
| Performance Period Year 1  | Performance Period Year 2  | Performance Period Year 3   | Payment Period 3 (CY25)     |  |  |        |
|  | Payment Period 1 (for CY23)  | Payment Period 2 (for CY24) |                             |  |  |        |
| <i>Example 2: Awardee Life Cycle Over 5-year Performance/Payment Period and 2-year Maintenance Period</i>            |  |                             |                             |  |  |        |
| <ul style="list-style-type: none"> <li>• Application Process Complete</li> <li>• Grant Agreement Executed</li> </ul> | <b>Performance and Payment Period</b><br>a) Annual Compliance Reports Submission (January) and Verification (February)<br>b) Payment Disbursed (March/April) |                             |                             |  | <b>Maintenance Period</b><br>Annual Compliance Reports Submission and Verification |        |
| Performance Period Year 1  | Performance Period Year 2  | Performance Period Year 3   | Performance Period Year 4   | Performance Period Year 5  | Payment Period 5 (for CY27)  |        |
|  | Payment Period 1 (for CY23)  | Payment Period 2 (for CY24) | Payment Period 3 (for CY25) | Payment Period 4 (for CY26)  |  |        |



## REQUIRED DOCUMENTS & VERIFICATION

To avoid fraud and confirm that distributions are being made to eligible companies, the following information and documentation must be provided & submitted with the application, or prior to funds disbursement.

All attachments must be submitted in PDF format. Any other formats will deem the submission incomplete.

### 1. SUBMIT WITH APPLICATION

| Eligibility Requirements  | Documentation / Verification   |
|---|--|
| <p>Lease or own a physical office, or agree to lease or own, a business location of at least 7,000 square feet and commit to remaining in the space for at least 5 years.</p> | <p>Provide one of the following:</p> <ul style="list-style-type: none"> <li>• Letter of Intent</li> <li>• Lease</li> <li>• Deed</li> <li>• Landlord Affidavit</li> </ul>   |
| <p>Have 25 or more employees</p>  | <p>Roster of Employees or Positions that are currently assigned, or will be relocated to the DC location</p> <p>E.g., Aggregated total of positions by department (e.g., Administration/Operations, IT, Human Resources, Marketing/Sales, Accounting and Finance, etc.) and/or job levels (e.g., entry level, intermediate, mid-senior, and executive level)</p> |

### 2. SUBMIT PRIOR TO FUND DISBURSEMENT

| District Government Grant Requirements  | Documentation / Verification  |
|---|---|
| <p>DC "Clean Hands" mandate pursuant to D.C. Code § 47-2862</p>   | <p>Current Certificate of Clean Hands (dated within 90 days prior to application date, or 30 days after award date)</p> |
| <p>The First Source Law requires all beneficiaries of contractual agreements (including grants) totaling \$300,000 or more are required to enter into a First Source Employment Agreement with the Department of Employment Services. Companies must agree that at least 51% of new hires are DC residents, unless alternative arrangements are made with the Department of Employment Services</p> | <p>First Source Employment Agreement with the Department of Employment Services</p>                                     |

|   |  |
|---|--|
| Evidence that the company is licensed to operate in the District  | Business license and any applicable professional licenses required by the District of Columbia |
| Evidence that the company meets the regulatory requirements of the DLCP's Corporations Division   | Certificate of Good Standing   |
| Evidence of the company's nonprofit status (if applicable)  | 501(c)(3) Determination Letter   |
| Equal Employment Opportunity Commitment   | EEO Policy Commitment  |
| Evidence that the company is in compliance with the applicable tax filing and payment requirements of the District of Columbia  | Tax Certification Affidavit  |
| Evidence that the applicant has met and will maintain all qualifying criteria for certification throughout the entire duration of the award                                     | Statement of Certification   |
| Evidence that the company is properly organized and licensed and is compliant with tax and accounting requirements  | Required Financial Documents Statement   |
| Evidence that the company is properly insured   | Insurance Policies Affidavit   |
| Evidence that the company is following the Code of Official Conduct establishing rules concerning conflicts of interest, acceptance of gifts, use of government resources, etc. | Ethics and Accountability Statement  |
| Taxpayer Identification and Certification   | Form W9  |
| Commitment to spend at least 35% of contract on SBEs  | SBE Contracting Plan   |

## EXAMPLE WORKFORCE DEVELOPMENT AND TRAINING PROGRAMS

Below are examples of existing workforce development programs offered through the Department of Employment Services (DOES) that employers could participate in to fulfill the workforce development requirement:

- [Mayor Marion S. Barry Summer Youth Employment Program \(MBSYEP\)](#): This program is a locally funded initiative sponsored by DOES that provides District youth ages 14 to 24 with enriching and constructive summer work experiences through subsidized placements in the private and government sectors. Employers in the Washington, DC metropolitan area make this annual program possible by volunteering to serve as Host Employers and providing structured job opportunities for youth during the summer.
- [On the Job Training](#): Offered by the Department of Employment Services (DOES), the On-the-Job (OJT) training program offers 50 to 75% wage reimbursement for up to one year, access to pre-screened and ready-to-work candidates, and support for a DOES liaison for recruitment and employment agreements.
- [DOES Apprenticeship Program](#): The DOES Apprenticeship Program works through the Office of Apprenticeship, Information, and Training to provide grants for apprenticeships combining on-the-job training and classes for District residents. A qualified apprenticeship sponsor will provide paid apprenticeship work in one of D.C.'s high-demand industries.

- Additional examples of workforce development programs include:
  - Coordinate, promote, and participate in hiring events with DOES
  - Participate in existing or create new employer-led training program specific to the company's industry
  - Commit to participating in an apprenticeship program specific to the company's industry
  - Commit to hiring specific number of District residents
  - Participate in program to support adult learners in internship placements that lead to full-time employment

## **POINT OF CONTACT**

If you have questions, please contact the DMPED Business Development team using the contact information below:

DMPED Business Development Team Phone: (202) 727-6365

Email: [bizdev@dc.gov](mailto:bizdev@dc.gov)