# POMPANO BEACH REVOLVING LOAN PROGRAM
# 2011-2012

The City of Pompano Beach administers federal Community Development Block Grant ("CDBG") funds for eligible economic development projects. The **Revolving Loan Fund (RLF) Program** provides loan funds to eligible businesses with the ultimate objective of creating jobs for low/moderate income people. "Low/Moderate Income" guidelines are determined by the U.S. Department of Housing and Urban Development (HUD). The RLF can assist businesses in order to create or retain jobs. ***Pompano Beach can lend up to $20,000 per full-time job created.***

Each job created or retained must be a full time equivalent permanent job. The employer must obtain documentation from the job applicant at the time of hiring that the applicant falls within the low income guidelines for their household size. At least 51% of the jobs created or retained must be made available to low/moderate income workers.

A business must be able to demonstrate that the CDBG assistance is necessary for new job creation or retention. A qualifying business can use the funds for several purposes, including land or property acquisition, equipment, furniture and fixtures or working capital. Use of RLF funds for wages related to construction, rehabilitation or installation requires the payment of either state or federal prevailing wages (whichever is higher).

There is a $100 fee to apply. If your business is interested in participating, please submit two copies of the attached application and attachments to:

**Office of Housing and Urban Improvement**
**100 West Atlantic Blvd., Room 220**
**Pompano Beach, FL 33060**
**Telephone: 954-786-4659**
**Fax: 954-786-5534**

If your business is located with the City's **Enterprise Zone**, it may also be able to receive a sales tax credit for up to 30% of wages paid to new low income employees who live in ***any*** Broward County Enterprise Zone, not just Pompano Beach. Businesses subject to Florida corporate income tax may alternatively choose to claim a credit of up to 20% of wages paid to those employees if they qualify. Enterprise Zone incentives are funded by the State of Florida and are available ***in addition to*** Revolving Loan Funds. Separate applications for those programs are also attached if you wish to apply through the City for either the Revolving Loan Fund, Enterprise Zone or both job incentive programs.

You may want to leverage money from a **Revolving Loan Fund** loan and **Enterprise Zone** incentives alone or together as a **Section 3 Business**. If the ownership structure of your

business or the income level of your employees qualifies, you may be a Section 3 Business. Businesses that qualify as Section 3 Businesses can receive preference when bidding for certain contracts funded by HUD in Pompano Beach and elsewhere. To learn more about becoming a Section 3 Business and to self-certify under HUD's Business Registry Pilot Program, visit www.hud.gov/Section3 or send an email to Sec3biz@HUD.gov and ask what you need to do to qualify. Or, fill out the Section 3 application on our web site for certification in Pompano Beach only.

# REVOLVING LOAN FUND EVALUATION STANDARDS

## Objectives

The Revolving Loan Fund (RLF) encourages:

- Private sector job creation/retention
- Capital formation
- Private sector projects that have a financial feasibility based on recognized underwriting criteria
- Gap financing
- Development of Sales Tax and Property Tax Base
- Business Start-Ups and Development of New Business

## Loan Criteria

- Jobs/Cost Ratio: Maximum $20,000 per qualified FT job created.
- Type of Jobs Created/Retained: At least 51% of the jobs created will be held by, or made available to low/moderate income workers, adjusted for household size.

RLF funds are available to businesses located within Pompano Beach city limits.

## Eligible Activities

- Working capital for inventory, work in progress and receivables
- Machinery, equipment, furniture, fixtures and leasehold improvements
- Acquisition and assembly of owner-occupied land and facilities
- Construction and installation (please call first).

## Ineligible Project and Activities

- Projects outside the Pompano Beach city limits.
- Loans for investing in interest-bearing accounts, certificates of deposit or owner investments
- Speculative activities (because near-term job creation or retention are not evident).
- Projects where there is not reasonable assurancf repayment of the loan.
- Projects presenting a conflict of interest related to any current or former City Commissioner.
- RLF capital cannot be used to:
  - -Purchase or finance equity in private businesses;
  - -Subsidize interest payments on existing loans; or
  - -Refinance loans made by other lenders.