

Whitewater Community Development Authority Community Development Block Grant Fund RLF-ED Job Creation

Program Overview:

This program assists businesses with funding based upon new jobs being created or retained. The applicant must make at least 51% of the jobs available to persons who qualify as Low to Moderate Income (LMI). LMI is based upon a percentage of the income in the county in which the created job is located.

The jobs must be created and filled for a specific period of time. Each applicant must self report their family income prior to applying for the position. The employer is required to maintain documentation of payroll and job recruitments and job offers.

Source of Funds:

The U.S. Department of Housing and Urban Development (HUD) originally funded the program. As a Revolving Loan Fund (RLF), loan repayments and interest received into the fund are to be used to assist other businesses with loans.

The applicant is required to match the loan funds 1:1.

Governing Authority:

The program is governed by HUD and administered by the Wisconsin Department of Administration (DOA).

Permitted Use of Funds:

Funds are permitted to be used by applicant as follows:

- Purchase of Land/building
- Construction of building
- Purchase of equipment
- Working Capital

Program Restrictions:

Up to \$20,000 in loan proceeds are made available to an applicant based upon one (1) job being created.

Funds may be used for the purchase of equipment, acquisition of land or buildings, or working capital.

Personal Guarantees are required under the program.

CDA will file Mortgage on Real Property, Business Note, General Business Security Agreement (GBSA) regarding loan and require adequate collateral to secure the loan.

The interest rate is fixed for the life of the loan. In addition, the applicant may elect to defer any payments for the initial 12 months of the loan and pay interest only at the end of the 12 month period.

Third party costs (Attorney fees, filing fees) are paid by CDA and added to principal of loan.

Reporting Requirements:

Semi annual reports are due to DOA.

Re-Use of Funds:

Re-paid funds are returned to fund balance for additional funds within the program.

Matching Funds:

CDA match to program is 1:1 with WEDC funding.

Job Requirements:

Program does require specific number of jobs to be created and maintained.

Business is required to maintain a presence in Whitewater.

51% of jobs must be made available to Low to Moderate income individuals.