



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
COMMERCIAL BUSINESS LOW-COST OR NO INTEREST LOAN PROGRAM**

About the Program

**Commercial Bank Loan Guarantee
Commercial Bank Interest Subsidy**

(Guarantee a portion of the loan to reduce borrower equity requirements and/or reduce interest rates. Subsidize a portion of the monthly interest cost to provide a lower effective interest rate to the borrower.)

NOTE: A low-cost/no-interest loan program can be developed using just CRA funds. However, the program(s) would be more effective and have less administrative cost if CRA funds are used to leverage loans from commercial banks. It is recommended that we initiate discussions with banks serving Hallandale Beach that have "community lending" programs. The ideal solution would be to assemble a consortium of participating banks that will accept a CRA guarantee of (10%) of the principal to relax credit/equity criteria for a new business to qualify for a loan. Further, the CRA would provide an interest reimbursement to the banks to enable the borrower to pay at or below Prime Rate on borrowed funds. In effect, this would be a locally (CRA) sponsored SBA loan.

Goals/Objectives: Accelerate the expansion of existing businesses and the attraction of new start-up businesses in the CRA, with an emphasis on attracting the availability of new goods/services, creating job opportunities, and improving the quality of life in the CRA.

Eligible Area: All properties within the CRA.

Eligible Properties: All commercial or mixed-use (containing retail/commercial space) buildings in the designated Priority Area with new office and/or qualified retail (Qualified Retail) uses permitted by applicable land use codes or approved conditional uses. The Agency, at its sole discretion, may change the list of Qualified Retail from time to time. Currently, Qualified Retail includes:

- Restaurant/food service - family-oriented restaurant, ice cream shop, coffee shop, micro-brewery, fish market;
- Merchandise retail - clothing store, newspaper/magazine stand, florist, general merchandise store;
- Service retail - grocery store, drug store, dry cleaner; bank/credit union;
- Destination retail;

- Professional services;
- Small theatre (movies and live performances);
- Fitness facility;
- High Tech
- Co-working spaces
- Performing/creative arts – gallery, studio, arts-oriented business; and
- Other uses as approved.

Eligible Project Costs: Generally, all costs directly associated with the opening of a new business or expanding business (Project) are eligible for consideration. The proposed Project must comply with the Plan, applicable land use regulations, and current code requirements, subject to review/approval by the City of Hallandale Beach Planning Division, Code Compliance Division, and CRA staff. Eligible Project costs may include:

- Direct costs associated with satisfying the CBLG/CBIS requirements/application;
- Business machines;
 - Copiers;
 - Fax machines;
 - Phone systems;
 - Computer/POS systems;
- Desks/cabinets;
- Shelving;
- Inventory; and
- Costs ancillary to the primary Project, such as other interior improvements recommended and/or approved by CRA staff on a case by case basis. Projects are encouraged to utilize sustainable/environmentally friendly building materials and strive to maximize the energy efficiency of the building. Elimination of any known code violations is a required component of the Project.

Automatic Disqualifications

- a. Is determined that the application does not meet the spirit, intent and/or legal requirements for the grant.
- b. A prior grant awarded to the applicant was rescinded.
- c. The applicant is currently a party in litigation against the HBCRA and/or City or has threatened litigation against the HBCRA and/or City.
- d. Any work done prior to the CRA Board approval does not qualify.
- e. Religious organizations or sites being utilized for religious purposes will not be considered for funding, unless the funding will not have as its primary effect the advancing or inhibiting of religion.

- f. The applicant has previously defaulted on any prior grant agreement or other agreement with the HBCRA and/or City.

Basis/Limits of Benefits: Tenant must provide evidence of its lease or a lease commitment by both the landlord and tenant for at least the term of the proposed loan. With the applicant's qualification, CBLG/CBIS will provide a short-term, low-interest loan not to exceed \$200,000. The lending bank will provide a five (5) year loan, with an interest rate not to exceed Prime Rate + 200 basis points. CBLG/CBIS will provide a guarantee to the lending bank of ten (10% - depending on participating bank requirements) percent of the outstanding loan principal by the CRA and provide an interest rate subsidy directly to the lending bank of 200 basis points. The loan terms from the applicant's perspective will be:

- A loan not to exceed \$200,000,
- A loan term of five (5) years, with a balloon payment of the outstanding balance at the end of the five (5) years term,
- A loan interest rate of Prime Rate, and
- A monthly payment based on a six (6) year amortization schedule.

Applicant: The tenant must be the applicant.

Step 1: Application Process

- a. Schedule an appointment with HBCRA Staff to discuss potential project and make sure it meets Program intent. Please call (954)457-2228.
- b. Submit a completed application with a check for \$250.00 made payable to the City of Hallandale Beach Community Redevelopment Agency for review. Incomplete applications will not be considered for funding until a complete application, and all supporting documents are received by the HBCRA. Applications must be signed by the owner of the property of record; tenants and/or other occupants are ineligible to participate in the Program and are prohibited from filing an application on behalf of an owner, unless otherwise authorized, in writing, by the property owner.
- c. HBCRA will complete the application review within 30 days of receipt and notify Applicants of any missing information or deficiencies in terms of eligibility for the Program.
- d. Upon determination of completeness and eligibility, CRA Staff will place the Application on the next available CRA Board agenda for consideration. The CRA Board meets monthly on the 3rd Monday of the month in City Commission Chambers.
- e. Applicants not approved may apply again with modifications. A fully executed and accepted Program Grant Agreement between the HBCRA and the Applicant, together with the Declaration of Restrictive Covenants shall be executed within 30 days of HBCRA Board approval and shall serve as a Notice to Proceed.
- f. The project must be completed within six months of Program Agreement execution.
- g. Should project delays arise, it is at the discretion of the CRA Executive Director to grant no more than one six-month extension to the Agreement prior to its expiration. Extensions will not be considered once the Agreement has expired.

- h. Application to this grant program is not a guarantee of funding. Funding is at the sole discretion of the HBCRA Board.
- i. Applicants must submit an original, "hard copy" and electronic copy application with all back-up materials to the HBCRA for review and subsequent approval by the HBCRA Board. Applications will be considered on a first-come, first-serve basis.
- j. The HBCRA recommends that Applicants attend the HBCRA Board meeting during which the Board will consider their application to answer any questions the CRA Board may have regarding their applications. HBCRA staff will notify the Applicant of the Board approval or denial in writing.

Step 2: Construction/Payment & Site Visits by the HBCRA:

- a. The commercial bank low cost or no-interest loan agreement is between the HBCRA and the Applicant. The HBCRA will not make payments directly to the contractor.
- b. The HBCRA will disburse funds once the Applicants have paid their match. Aside from any initial deposits, CRA will disburse funds at 10 % of project completion and 100% of project completion.
- c. Applicants must provide a release from your contractor in consideration of final payment.
- d. An HBCRA staff member will visit the property and take photographs of the completed project. Once the project has been inspected and approved by the City of Hallandale Beach and/or the HBCRA, a check will be issued in the Applicants name.
- e. HBCRA Staff may conduct unannounced site visits before, during, and after the project to determine and ensure compliance with the terms of the grant agreement.

PLEASE READ THE FOLLOWING PRIOR TO APPLICATION SUBMITTAL

- The application must include **all** the following items: Photographs of the current condition of site and structures; architectural renderings of proposed façade improvements in color; a detailed outline of all proposed improvements with a cost estimate, and; a Flash drive or other electronic device containing copies of all required documents. If any components of the project pertain to paving, fencing, landscaping, etc., a survey showing the location of work shall also be required.
- Owners of properties that are for sale may not apply for grant funding. Properties sold within twenty-four months of receiving grant funding **must repay the full grant amount**.
- After approval by the HBCRA Board, the CRA will provide the Applicant with an approved Grant Agreement and legal documents for signature. The property owner shall not begin construction (Grants cannot be applied retroactively for work previously completed) until the Grant Agreement and Declaration of Restrictive Covenants is signed by all parties and the Declaration has been recorded in Broward County public records. Improvements completed prior to approval by the HBCRA Board, will not be eligible for reimbursement.
- If deemed necessary, the HBCRA reserves the right to have the application and its contents evaluated and analyzed by an outside third party including but not limited to; the proposed business plan, partnership/ownership information with equity positions, mortgage on the property, lease agreements, letter of Intent from lending institution and any other documents provided by the Applicant.
- If your site plan or application request includes landscaping, the landscaping must consist of species, and varieties of native plants that are drought tolerant require little irrigation and withstand the environmental conditions of Hallandale Beach. Irrigation systems must prevent over spray and water waste, and it is recommended a drip irrigation system be installed.

- Property to be improved must not have any delinquent ad valorem taxes, be free of all municipal and county liens, judgments and encumbrances of any kind. This provision can be waived by the HBCRA Board if development plans for the property meet the goals and objectives as set forth by the HBCRA. Upon grant approval, the property must remain free of all municipal and county liens, judgments or encumbrances of any kind under the term of the agreement.

SUBMISSION OF AN APPLICATION IS NOT A GUARANTEE OF FUNDING

It is the responsibility of the Applicant to READ AND UNDERSTAND all aspects of the Grant Program's Rules/Requirements and Application. NOTICE TO THIRD PARTIES: the grant application program does not create any rights for any parties, including parties that performed work on the project. Nor shall issuance of a grant result in any obligation on the part of the HBCRA to any third party. The HBCRA is not required to verify that entities that have contracted with the Applicant have been paid in full, or that such entities have been paid any subcontractors in full. Applicant's warranty that all bills related to the Project for which is the Applicant is directly responsible is sufficient assurance for the HBCRA to award grant funding.

I have read completely and understand the program requirements, including the application guidelines and grant reimbursement process.

Signature

Date_____

Printed Name and Title

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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Date of Application_____

1. Property Address: _____

2. Name of Applicant: _____

3. Address of Applicant: _____

Phone: ()

Fax: ()

Initials _____

Email: _____

4. Does the Applicant own property? _____ Yes _____ No

5. Indicate the owning entity of the property (i.e. name on property title)

6. Project Description: _____

7. Total Project Cost _____ Total Funding Request _____

Authorized Representative (Property Owner or Agent):

Signature

Date

Initials _____

Print Name and Title

**If application is signed by authorized agent, please provide proof through notarized letter, articles of incorporation or some other form acceptable to HBCRA legal counsel.*

COMMERCIAL BUSINESS LOW COST OR NO- INTEREST LOAN PROGRAM CHECKLIST

- One (1) hard copy and one (1) electronic copy of the completed application with a check for \$250.00 made payable to the City of Hallandale Beach CRA.
- Photographs of the current condition of site and structures.
- Architectural renderings of proposed façade improvements in color.
- A detailed outline of all proposed improvements with three (3) quotes from a licensed contractor.
- If any components of the project pertain to paving, fencing, landscaping, etc., a survey showing the location of work is also required.
- Applicant acknowledges that the property to be improved does not have any delinquent ad valorem taxes and is free of all municipal and county liens, judgments and encumbrances of any kind.
- Applicant acknowledges that properties that are sold within twenty-four months of receiving grant funding must repay the full amount of the grant and that a **lien** shall be recorded by the CRA against the property in order to secure the right of repayment.
- A canceled check of payment to contractor/GC (your 30%). The CRA must receive proof of payment of your 30% via a canceled check within fifteen (15) days of project start (prior to first payment from the grant)
- Both the CRA Commercial Loan Program Application and Program Agreement have been signed.
- Preliminary schedule for completion of improvements
- Copy Authorized Agent letter (or other documentation) if Applicant is not the owner
- Copy of Business Tax Receipt
- Completed W-9 Form for payee

- Copy of license and liability insurance form chosen contractor.
- Copy of property insurance for business or building.