

ORDINANCE NO. 2018-089

AN ORDINANCE AMENDING THE CITY OF FINDLAY REVOLVING LOAN FUND GUIDELINES, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Findlay Revolving Loan Fund Committee is desirous of making the following changes to the City of Findlay Revolving Loan Fund Guidelines.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Findlay, State of Ohio, two-thirds (2/3) of all members elected thereto concurring:

Be and the same is hereby amended to read as follows:

Part II Section E (12)

Microenterprise Loan Program Exemptions

In addition to traditional RLF loans, the board has the ability to approve Microenterprise Loans. These loans have the same requirements as traditional RLF loans but with exemptions regarding: bank involvement, private equity match in the project, and job creation requirement. For more information see Section III – Microenterprise Loans on page 13.

Part III Microenterprise Loan Program Elements

A. Statement of Program Goals

The Microenterprise Loan program for The City of Findlay has been established to meet the same goals as the RLF Loan program. The microenterprise loan program targets small loan amounts, under \$35,000, typically used for working capital or business startup expenses. The Microenterprise Loan program has extra flexibility in working with applicants that the RLF does not.

B. Standards for a Microenterprise Loan Project

1. Eligible Loan Activities

Eligible loan activities include provision of "necessary or appropriate" RLF microenterprise financial assistance or purposes which result in private sector job creation/retention, stimulate private investment, and contribute to the economic development or stabilization of the area. The following are eligible types of loan activity:

- a. Fixed asset loans for the start-up of new businesses, the expansion of existing businesses or the conduct of current business. Fixed asset loans may include the acquisition and/or improvement of land, buildings, machinery and equipment, including new construction or renovation of existing facilities, demolition and site preparation. (Loan terms shall not exceed the life of the asset).

NOTE: The maximum amount for a microenterprise project is \$35,000.

- b. Working capital loans for start-up of new businesses or existing businesses will be limited to 30% of the RLF program income the grantee receives in one year. (Exceptions to this limit will be looked at on a case-by-case basis and can only be overridden with written consent of OHCP.)

NOTE: The maximum amount for a microenterprise project is \$35,000. The maximum term is five years.

- c. Planning activities shall not exceed ten percent (10%) of the total amount of program income received in one year, up to a maximum of \$10,000. This amount will not be charged against the administrative cap.

2. Ineligible loan activities, or uses of RLF funds, include the following:

- a. Financing of existing debts and training costs;
- b. Financing of a project that involves the relocation of an industry or business from one area of the state of Ohio to another. Upon approval by the state (OHCP), exceptions may be made only if:
 - i. the relocation of the industry or business will demonstrate additional long-term job creation, and/or;
 - ii. the industry or business will demonstrate, to the satisfaction of the state (OHCP), that the operation of such industry or business cannot be continued in the existing location.
- c. Financing of speculative projects or buildings, and;
- d. Financing of speculative activities, such as land banking

3. Job/Loan Ratio

Each loan should produce at least one (1) new or retained permanent, full-time equivalent job for each \$25,000 of RLF program investment for loans, and \$10,000 of RLF program investment for grants. The number of jobs created or retained may be fewer than five (5), differing from regular CDBG requirements. The owner of a newly created business may be counted as one of the jobs created.

4. LMI Employment Opportunities

At a minimum, at least 51% of the permanent, full-time equivalent employment opportunities created or retained must be made available to persons from LMI households.

5. Match

For microenterprise loans, there is no match requirement and the RLF can fund up to 100% of the project.

6. Project Timeline

Projects must be completed in twelve (12) months. Job creation attributable to RLF funds must take place within twenty-four (24) months of project completion.

7. Eligible Applicants

In general, eligible applicants for financial assistance include private, for-profit business and industrial developments. A non-profit agency may apply if the request will carry out a fundable activity but the agency must first submit a written request explaining the project prior to submitting a Loan Review Report form. Such concerns may be:

- a. New companies/expansion/retention;
- b. Owned locally or outside the RLF area, but with facilities located within the RLF area;
- c. Businesses locating a facility near, but outside, the boundaries of The City of Findlay; where the overwhelming preponderance of evidence is that by providing assistance to a firm located outside of The City of Findlay, a substantial number of City of Findlay residents will benefit from the project;
- d. For a business with an open RLF loan to obtain additional RLF loans, the business must have successfully completed the original project, reached its job creation commitment and demonstrated compliance with all other terms of the agreement.

8. Equal Lending

No applicant will be denied a loan on the basis of race, color, national origin, religion, age, handicap or sex.

9. Certification of Financial Need

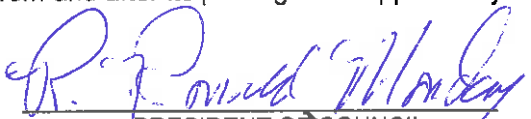
The program must be assured that required financing is not available through other sources, and that, without RLF program involvement the project will not proceed and employment opportunities will not be created/retained as planned. This assurance will be obtained through credit analysis of the applicant's financial capacity and by obtaining one or both of the following items:

- a. Written applicant certification of financial need; and/or
- b. Written lender certification of the applicant's financial need.

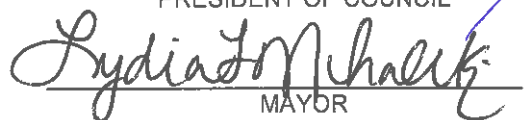
Each of these standards is directly related to a specific goal and/or objective as stated in Part II A of this Plan. These standards may, however, be changed with approval from OHCP as area needs are met and/or developed.

SECTION 2: This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the inhabitants of the City of Findlay, Ohio and for the further reason, it is immediately necessary to make said changes to the Revolving Loan Fund Guidelines so that they are in compliance with the State of Ohio standards,

WHEREFORE, this Ordinance shall be in full force and effect from and after its passage and approval by the Mayor.



 PRESIDENT OF COUNCIL



 MAYOR

PASSED September 4, 2018

ATTEST Denise DeVore
CLERK OF COUNCIL

APPROVED September 4, 2018