

## **Fairfax Housing and Redevelopment Authority & Economic Development Authority Childcare Development Forgivable Loan Program**

### Purpose:

The Fairfax HRA/EDA Childcare Development Forgivable Loan Program is designed to assist with the creation and expansion of existing childcare providers within the Fairfax, Minnesota community.

### Program Guidelines:

1. The Fairfax HRA/EDA funding will work on a calendar year basis to aid eligible applicants and projects.
2. Maximum loan amount is \$5,000.
3. An applicant may only be awarded one loan per business or expansion project.
4. Eligible uses of loan funds include improvements to the childcare space, equipment and supplies
5. All work must be completed within 150 days of approval.
6. Approved projects must comply with zoning and building code permitting.
7. Loans will have a maximum 5-year term, with 20% of the loan amount being forgiven for each year the business is in operation following loan disbursement. 100% of loan funds will be forgiven upon completion of 5 years in business.
8. Loan repayments shall be deferred for five years, or until the provider ceases operation, whichever is first.
9. Eligible applicants need to have a valid license to provide daycare services or be in the process of obtaining a license.

### Application Review:

The Fairfax HRA/EDA will review applications on an on-going basis. The loan application review process involves examination of application including plans and specifications of the project by the HRA/EDA, who will then make the final decision on loan approval. The Fairfax EDA/HRA board may require additional written feasibility studies, business plans or financial statements as appropriate for the business type. Applicants will be notified of their award/rejection after final decision is made.

### Loan Disbursement:

Upon approval, the Fairfax EDA/HRA will prepare loan a loan agreement for borrower to sign. Upon loan closing, loan funds will be disbursed in the following manner:

- \$2,000 upon loan closing
- \$1,000 upon 1<sup>st</sup> anniversary of original loan closing
- \$1,000 upon 2<sup>nd</sup> anniversary of original loan closing

- \$1,000 upon 3<sup>rd</sup> anniversary of original loan closing

**Fairfax HRA/EDA Childcare Development Loan Program Application**

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

Applicant Phone: \_\_\_\_\_

Applicant Email: \_\_\_\_\_

Business Name: \_\_\_\_\_ (if applicable)

Building Address: \_\_\_\_\_ (if applicable)

Proposed Project Start Date: \_\_\_\_\_

Summary of applicant's childcare background:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

License Status: \_\_\_\_\_ Licensed \_\_\_\_\_ Obtaining License

Type of Project: \_\_\_\_\_ New \_\_\_\_\_ Expansion

Number of expected childcare slots that project will add: \_\_\_\_\_

Brief description of project for which financing is requested:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Amount Requested: \_\_\_\_\_

Total cost of project: \_\_\_\_\_

Additional sources of project funding:

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Applicant authorizes Fairfax EDA/HRA to make inquiries as necessary to verify the accuracy of the statements made in this application. Applicant certifies the above information is true and accurate to the best of their knowledge at the time of application. Applicant understands that false statements may result in the forfeiture of benefits.

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Applicant Signature

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Date