



Commercial / Industrial Revolving Loan Fund (CIRLF)

Updated Policies & Procedures

What is CIRLF?

- It is a self-sustaining economic development loan fund originally seeded with HUD-CDBG funds and set up in 1984.
- It is designed to provide gap financing to businesses and is intended to support job creation in the City.
- Subject to HUD regulations and reporting requirements forever.

Why the Update?

- Short answer: HUD!
- The program was found to have been out of compliance with CDBG program guidelines.
- The revisions bring the program into compliance with CDBG program guidelines.



Loan Terms

- No loan may exceed 30% of total project cost.
- There must always be a two-to-one private-to-public funding ratio.
- Interest rates are prime plus one quarter percent, but no less than two percent.
- Term lengths are no longer than ten years.
- For equipment, the term may be no more than five years.

Eligibility Requirements

- Applicant business must be physically located in Rock Island.
- The loan has to help create job opportunities available for income-qualified individuals.
- Applicants cannot already have a CIRLF loan.
- Business or project must be CDBG eligible.
- Projects may include property acquisition, rehabilitation, equipment, and working capital.

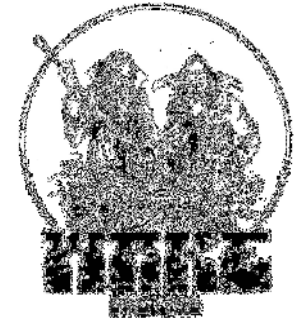
How to Apply

- Submit application to Economic Development Team Member.
- Complete application is submitted for program compliance review.
- Qualifying application is submitted for external underwriting review.
- Complete qualifying application is submitted to CIRLF committee for review and approval vote.

CIRLF Committee

- The CIRLF committee members must “...have skills and experience in business and/or financial management.”
- Intended to have delegated authority from the Council by ordinance.
- Appointed and approved every 3 years.
- 5 members – council member, representative from local lending institution, CEO or CPA member, Rock Island business owner, citizen with financial background.

Project Examples



P & J Tender Care
Preschool & Child Care Center



Next Steps

- Staff recommends the following steps:
 1. City Council approves the updated policies and procedures (HUD has already approved them).
 2. City Council approves the updated CIRLF Committee ordinance delegating authority.
 3. Working with the Committee, staff begins marketing the program and taking applications.
 4. Continue assessment of outstanding loans for repayment plans, collections, or write-offs.

Questions?