



## Aurora's Economic Development Partnership

43 W. Galena Blvd. | Aurora, IL 60506

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# INVEST AURORA'S BUSINESS EXPANSION FORGIVABLE LOAN PROGRAM INTAKE POLICY

Invest Aurora is proud to announce the Business Expansion Forgivable Loan Program, which is funded through the United States Department of Urban Development's (HUD) Community Development Block Grant (CDBG) Program.

Invest Aurora will rely on the expertise of the Women's Business Development Center (WBDC) for demographic and intake information. The WBDC already has a well-established process for reviewing and evaluating small business financials and income through tax returns and business ledgers. The WBDC will then give a signed declaration if the business owner meets the income requirements outlined under HUD's low to moderate income standing as shown in the chart below:

FY 2018 Income Limit Area	Median Family Income <b>Explanation</b>	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Chicago-Joliet-Naperville, IL HUD Metro FMR Area	\$84,600	Very Low (50%) Income Limits (\$) <b>Explanation</b>	29,650	33,850	38,100	<b>42,300</b>	45,700	49,100	52,500	55,850
		Extremely Low Income Limits (\$)* <b>Explanation</b>	17,800	20,350	22,900	<b>25,400</b>	29,420	33,740	38,060	42,380
		Low (80%) Income Limits (\$) <b>Explanation</b>	47,400	54,200	60,950	<b>67,700</b>	73,150	78,550	83,950	89,400

Invest Aurora will work with clients and keep an excel database of business records. Businesses must answer the following:

What amount are you requesting from Invest Aurora's Business Expansion Forgivable Loan Program?

What will the grant funds be used for?

What are your desired results? **NOTE:** Invest Aurora has the goal of increasing each business' sales by at least 10% and / or helping them to establish a physical location.



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Do you intend to add any additional employees?

YES

NO

IF YES, HOW MANY?

If yes, what will be their positions?

What efforts, if any, will you make to hire low to moderate income employees? **NOTE:** employees must qualify as low to moderate income under standards established by HUD (shown in chart above).

If the applicant completes and passes round one of this application, they will be required to provide business plans, tax returns, and other supporting documentation to the Women's Business Development Center.

Confirmation of goal achievement will be confirmed by a year-end review of financial statements by the WBDC. If the applicant meets defined program goals, the loan amount will be forgiven at a rate of thirty-three percent (33%) after the end of year two, and 34% at the end of year three.

Information gathered will be kept with Invest Aurora and not shared with outside parties. Information will only be used for reporting data to the City of Aurora and HUD.

**1** Under Federal Regulations, use of CDBG funds for microenterprise activities (5 or fewer employees) such as the Business Expansion Forgivable Loan Program must meet the national objective to benefit low to moderate income persons. As such, all eligible micro business owners must be documented as meeting HUD's low to moderate income standing (shown in chart above) prior to receiving any program services. As stated, verification will come through a review of each applicant's financials, including every adult member of their household.

**2** New employee qualification as low to moderate income is determined as income prior to employment. If the business is located inside the City of Aurora's Neighborhood Revitalization Strategy Area, low to moderate income status is presumed. The following factors would also qualify a new employee as low to moderate income:

- Written self-certification of income and household size prior to job application / hiring (included in application)
- Referral from qualifying program / agency
- Evidence that person is homeless
- Residence within a census tract where not less than 70% of the residents are low to moderate income persons

**3** Under Federal Regulations, all loan applications funded by the CDBG must receive environmental clearance from the City of Aurora before final loan approval is granted

**4** All loan application documents are subject to review by Invest Aurora, the City of Aurora, and HUD.