



MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM: Scott Evans, Interim Executive Director, CRA

COPY: J. Michael Haygood, CRA Attorney

DATE: June 10, 2020

SUBJECT: Resolution Amending the COVID-19 Small Business Loan Program and
Providing an Additional 40,000 in Funding

REQUEST

The Agency requests approval of a Resolution amending the Small Business Loan Program to increase the available funding by \$40,000 dollars (a new total of \$165,000) and amending the program to allow Massage Therapy offices as an eligible business provided they employ a licensed massage therapist.

BACKGROUND

The Riviera Beach Community Redevelopment Agency (RBCRA) recognizes that small businesses suffered substantial financial loss due to the adverse economic impacts caused by the COVID-19 pandemic. In response to the negative economic impacts on our local businesses and the City of Riviera Beach's economy, to alleviate the spread of slum and blight, and to protect the capital improvements in the CRA, the RBCRA has created the RBCRA COVID-19 Small Business Forgivable Loan Fund (the "Fund"). The Fund and program for \$125,000 was approved on May 20, 2020, and is intended to provide direct financial relief to small businesses located within the RBCRA area (see attached boundary map).

PROGRAM DESCRIPTION

Through the Program, the RBCRA will provide businesses with 25 or fewer employees up to \$5,000 in an interest free loan. If the business can show compliance with the Fund and that the loan was used towards payroll, utilities, or inventory expenses within 1 year of the loan date, the loan will be forgiven, and the business will not be required to repay the loan. The loans are awarded on a first-come, first-serve basis. Loan recipients will be required to sign a promissory note to ensure compliance with the Fund, loan terms, and conditions. The RBCRA has sole discretion to determine compliance with the Fund, loan terms, and conditions sufficient to allow forgiveness of the loan. (See Attachment "A"). The attached summary report shows the current status of the applications.

AMENDMENT TO ELIGIBILITY CRITERIA

The program is amended to allow Massage Therapy offices that employ a licensed massage therapist that are located in the Redevelopment Area. Amended Program is attached. Loan applicants must meet all the following requirements in order to be considered eligible to receive loan funding:

LOAN TERMS - Unchanged

Loans shall be interest-free, and the loan amount shall be due to repaid to the RBCRA one year from the date of the loan. Loan applicants will be required to sign a promissory note to ensure compliance with the loan, program terms, and conditions.

Loan funding must be used for payment of utility bills, employee payroll (excluding bonuses), or inventory.

BUDGET IMPACT

The additional \$40,000 in funding shall be provided from re-programmed funds for property acquisition budgeted for FY20. (In accordance with the original approval of \$125,000)

The amended property acquisition budget shall be \$135,000 (Reduced from the Original \$300,000)

RECOMMENDATION

The Agency requests approval of the proposed amendment to the COVID-19 Small Business Loan Program and Fund to assist small businesses in the District up to \$5,000 each.

Attached:
Program Status Report
Resolution
Exhibit A