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Hillsboro Economic Development Corporation Childcare Grant and Loan Pool

The purpose of this document is to establish guidelines for the Childcare Grant and Loan Pool. The pool has been established with funds in the HEDC Future Fund, which are derived from the sale of the childcare facility in 2020.

To be considered for a grant, loan, or both, the applicant must meet the following criteria:

1. Be a home daycare or childcare center located in the Hillsboro School District.
2. Care for children other than applicant's own children.
3. Applicant must file a federal tax return, or intend to file a return if a start-up, on their childcare income.
4. Applicant for grants may receive a grant up two two (2) times. Each request requires a separate application. Applicants for loan must not have any outstanding loan funds with HEDC. Loan funds may be used to refinance a current balance owed to HEDC, subject to maximum loan amount below.
5. Submit an application and resume of applicant(s).

Grants

1. Maximum amount of grant to be \$500 per child enrolled in the daycare, up to a maximum amount of \$7,500.
2. Grant proceeds to be used for house/center renovations or fixture additions (fencing).
3. Applicant must submit a detailed plan of renovations to take place, along with cost estimates, and other sources of funding in addition to grant funds. Funds will be provided once the project has been completed. Supporting documentation such as invoices or receipts and canceled checks or proof of payment must be submitted from applicant.

Loans

1. Maximum amount of loan to be \$1000 per child enrolled in the daycare, up to a maximum amount of \$20,000.
2. Loan proceeds to be used for house/center renovations, as well as any equipment or manipulative purchases. Working capital is not an eligible use of loan proceeds.
3. Loan repayment will be amortized over 60 months, with payments starting up to 90 days after receipt of payment. The interest rate would be fixed at the Bank of North Dakota Base Rate on the date of funding. Personal guarantees of all owners will be required of any applicant that is an entity. HEDC will be entitled to file a lien on the items being purchased.
4. Applicant must submit a detailed plan of loan uses. HEDC can also require borrower to submit a business plan and/or tax documents to prove repayment capacity of the loan.