



PALM BEACH COUNTY BUSINESS LOAN PROGRAM: PROVIDING BIG HELP TO SMALL BUSINESS

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Small business is big business in Palm Beach County. According to the U.S. Small Business Administration (SBA), small businesses are independently owned and operated and typically have less than 1,500 employees and \$7.5 million or less in annual receipts. In Palm Beach County, over 80% of all businesses have less than 10 employees and 90% have less than 20 employees. The Palm Beach County Business Loan Program is designed with these small businesses in mind. Administered by the Palm Beach County Department of Housing and Economic Sustainability (HES), the program provides long-term loans with low interest rates to small businesses looking to grow in Palm Beach County. Often, these businesses have difficulty accessing conventional financing so HES partners with community-based banks and SBA Certified Development Companies (CDCs) to leverage funding and diversify risk. Involving these partners in project financing also lowers the amount of equity investment required by borrowers.

To date, the County's Business Loan Program has contributed financing to Palm Beach County-based small business projects totaling more than \$98 million. In total, 46 small business owners have borrowed more than \$26.79 million through the County's Business Loan Program to support business needs including acquisition of machinery and equipment, working capital, and construction costs. Funding for these loans comes from federal agencies including the U.S. Department of Housing and Urban Development; the United States Department of Agriculture, the Environmental Protection Agency, and the Department of Energy. Job creation is a Program requirement. In general, a borrower must create 1 new job for every \$35,000 borrowed and at least 51% of new jobs must be filled individuals who have low to moderate income levels at the time of hire. Loan Program borrowers have created 1,943 new jobs to date.

As the Business Loan Program is not designed to serve as the primary source of funding, leverage is critical. Program loans are leveraged by more than \$71.3 million in other funding including: \$39.2 million from commercial lenders, \$8.3 million from CDCs, and \$20.6 million in borrowers' equity. In fact, every \$1 loaned through the County's Loan Program is leveraged by \$3.66 from other funding sources.

The Palm Beach County Business Loan Program addresses the complex financing needs of Palm Beach County's small businesses. With Business Loan Program support, these businesses: create new jobs as they expand in Palm Beach County; access additional funding from traditional lenders; diversify and strengthen the local economy and tax base; and generally contribute to an increased quality of life in Palm Beach County.

To learn more about the Department of Housing and Economic Sustainability or the Palm Beach County Business Loan Program, please contact me by phone: 561-233-3653, by email: showard@pbcgov.org, or visit our website: <http://discover.pbcgov.org/hes>