

RESOLUTION 73-2011

Whereas the U.S. Department of Housing and Urban Development (HUD) permits the establishment of micro-loan programs with the use of CDBG funds, and

Whereas such program must benefit low and moderate income persons or low and moderate income neighborhoods within the definitions and guidelines established by HUD, and

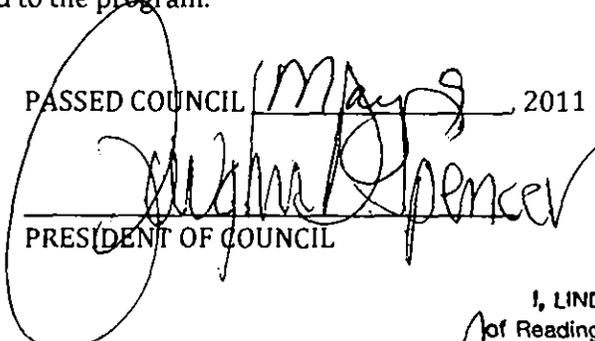
Whereas the City of Reading is desirous of establishing such a program to assist existing businesses located in low and moderate income areas of the City to expand, or to assist in the establishment of businesses in such areas, or to encourage the expansion of businesses within the City that will hire 51% of its workers from the low and moderate income pool, increase the property tax base and encourage the entrepreneurial spirit of its residents

NOW, THEREFORE BE IT RESOLVED, that the Department of Community Development establish a micro loan program within the guidelines established by the U.S. Department of Housing and Urban Development and carry out the underwriting of such loans in a sound manner within the guidelines established by HUD and that the following priorities be established by the Department:

1. To assist small businesses to expand within low and moderate-income areas of the City.
2. To assist low and moderate income residents of the City establish businesses. However in conformance with HUD Regulations start-up businesses shall undergo thorough business training prior to receiving a loan.
3. To assist businesses to expand within the City who will agree to hire 51% of their new workforce from the low and moderate income labor pool of the City, and

BE IT FURTHER RESOLVED, that within the general guidelines of HUD each loan shall not exceed \$35,000 and be for terms of 5 to 7 years for working capital, for the acquisition of machinery for 10 years or the economic life of the machinery and equipment, whichever is less and for terms of up to 20 years for other fixed asset financing, and that the amount of \$400,000 be allocated to the program.

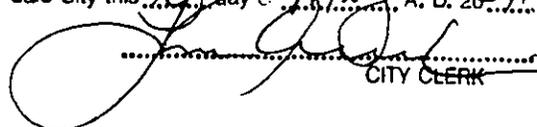
PASSED COUNCIL May 9, 2011


PRESIDENT OF COUNCIL

ATTEST:


CITY CLERK

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 9 day of May, A. D. 2011. Witness my hand and seal of the said City this 9 day of May, A. D. 2011.


CITY CLERK