



# MEMORANDUM

AGENDA ITEM #VI.A.2

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DATE: FEBRUARY 26, 2018  
TO: COUNCIL MEMBERS  
FROM: STAFF  
SUBJECT: 5-YEAR EDA REVOLVING LOAN FUND SUMMARY

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Attached is the 5-year RLF Fund Summary requested by the Council. It provides for each of the past 5 years the following:

1. Revenues by type generated by the RLF
2. Expenses incurred by Council
3. Reimbursement from the RLF to the Council
4. Administrative ratio allowed by EDA

The EDA Authorized Administrative ratio was reduced to a maximum of 50% with 2016 EDA-RLF 5-year Plan.

## Background

The goal of the Council's EDA Revolving Loan Fund ("The RLF") Program is to support economic activities which result in the creation or retention of jobs, additional wealth, higher wages, and a better quality of life in the region. Presented in no particular order, these business development objectives include, but are not limited to:

1. Small business development, including the start-up or expansion of locally owned businesses to encourage entrepreneurship and innovation;
2. Development of businesses owned and operated by minorities, women, and members of other disadvantaged groups;
3. Assist in the completion and/or successful operation of qualified projects; and
4. Provide financing to businesses for which credit is not otherwise available.



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The South Florida Regional Planning Council Revolving Loan Program has historically served the needs of businesses that are not entirely served by conventional lenders, with an emphasis on applicants who have been denied credit by a conventional lender. As such, the Council's RLF loans are considered riskier than conventional loans.

It is estimated that the RLF Fund has contributed to the creation of more than 5,244 Private Sector jobs and 2,837 Private Sector jobs saved.

Recommendation

Information only.

**South Florida Regional Planning Council  
EDA Revolving Loan Fund Summary**

| Description                              | Previous Administration          |                                  |                                  |                                  | Current Administration           |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | 12 months<br>Ending<br>9/30/2013 | 12 months<br>Ending<br>9/30/2014 | 12 months<br>Ending<br>9/30/2015 | 12 months<br>Ending<br>9/30/2016 | 12 months<br>Ending<br>9/30/2017 | 3 months<br>Ending<br>12/31/2017 |
| Revenue                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Bank Interest Revenue                    | 4,773                            | 3,971                            | 3,869                            | 8,811                            | 12,702                           | 3,922                            |
| Operating Transfer (In)                  | -                                | -                                | -                                | -                                | -                                | -                                |
| Other Revenue                            | -                                | -                                | -                                | -                                | -                                | -                                |
| Loan Interest Revenue                    | 256,590                          | 294,872                          | 211,245                          | 162,339                          | 167,591                          | 34,156                           |
| Loan Processing Fees                     | -                                | -                                | -                                | -                                | 527                              | -                                |
| Penalties Revenue                        | 13,231                           | 9,799                            | 14,814                           | 11,965                           | 19,541                           | 8,575                            |
| Special Fees Revenue                     | -                                | 3,534                            | 986                              | -                                | -                                | -                                |
| Loan Commitment Fees Revenue             | 5,000                            | 17,285                           | 2,000                            | 3,000                            | 21,048                           | (199)                            |
| Misc. Revenue                            | -                                | 538                              | 2,000                            | 16,131                           | 600                              | -                                |
| <b>Total Revenue</b>                     | <b>279,594</b>                   | <b>330,000</b>                   | <b>234,914</b>                   | <b>202,246</b>                   | <b>222,009</b>                   | <b>46,454</b>                    |
| SFRPC Direct Charge ratio                | 100%                             | 97%                              | 98%                              | 96%                              | 48%                              | 50%                              |
| Other: Legal Fees & Administrative Costs | 0%                               | 3%                               | 2%                               | 4%                               | 2%                               | 0%                               |
| Total EDA Allowed Administrative Ratio*  | 100%                             | 100%                             | 100%                             | 100%                             | 50%                              | 50%                              |
| <b>Cost incurred by SFRPC</b>            | <b>323,025</b>                   | <b>323,065</b>                   | <b>308,948</b>                   | <b>298,656</b>                   | <b>107,027</b>                   | <b>33,439</b>                    |
| Reimbursement to SFRPC                   | 279,594                          | 320,969                          | 231,130                          | 194,710                          | 107,027                          | 23,227                           |
| <b>Unreimbursed administrative fees</b>  | <b>43,431</b>                    | <b>2,096</b>                     | <b>77,818</b>                    | <b>103,946</b>                   | <b>-</b>                         | <b>10,212</b>                    |

\* EDA authorized administrative ratio was reduced to a maximum of 50% with 2016 EDA-RLF 5 year Plan