

DIVISION OF FINANCE PROGRAMS
GRANTS TO LOCAL ECONOMIC
DEVELOPMENT FUNDS

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GRANTS TO LOCAL ECONOMIC DEVELOPMENT FUNDS

TABLE OF CONTENTS

Program History..... 1
Performance Since Inception of the Program 1
Revolving Loan Fund Activity 1

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY FUND -
CAPABILITY 4 - REVOLVING LOAN FUND**

Two core functions of the Department are to partner with local governments in their economic development efforts and to promote small business development. With that in mind, the Department provides grants to jurisdictions to fund local economic development revolving loan funds (RLFs) to encourage lending to segments of the community that DBED’s programs do not reach directly. The typical revolving loan fund client is a small business that may be in an industry sector, such as retail service, that is not included in the approved industry sectors.

Funding of these local programs is provided through the Maryland Economic Development Assistance Authority Fund (MEDAAF). Each jurisdiction is limited to \$250,000 per year and the jurisdiction must provide a 100% match of the requested grant amount unless the local government is or is located in, a qualified distress county then the match must be in an amount equal to at least 50% of the requested grant amount.

Since October 1998 the Department has approved \$5,329,339 in Grant funds for nineteen (19) local governments. Of these nineteen (19) local governments, one (1), Carroll County elected to rescind their request for funds (\$150,000).

Under the terms of the grant agreement the grantee must provide the Department with an annual report disclosing how the proceeds of grant were used and the total activity of the RLF. The Department, at its discretion, has the right to call back funds if the local government has not made a loan within two years of the date of the grant.

The following is a chart of the activity provided through reporting by the various grantees:

Local Revolving Loan Fund Activity

Jurisdiction	Grant Amount	County Match	Number of Loans in RLF	Total of Loans Through RLF	Balance in RLF
City of Cumberland/ Allegany Co.	\$ 50,000	\$ 50,000	3	\$15,736	\$87,776
Anne Arundel	\$250,000 \$250,000	\$250,000 \$250,000	34	\$1,838,688	\$1,070,425
Baltimore City	\$250,000 \$250,000	\$250,000 \$250,000	4	\$503,724	\$495,000
Baltimore Co.	\$250,000	\$250,000	5	\$584,589	\$700,000
Calvert Co.	\$100,000	\$100,000	1	\$20,075	\$257,950
Caroline Co.	\$100,000	\$50,000	3	\$41,787	\$113,375
Carroll Co.	\$0	Rescinded	Rescinded	Rescinded	Rescinded

Jurisdiction	Grant Amount	County Match	Number of Loans in RLF	Total of Loans Through RLF	Balance in RLF
Cecil Co.	\$140,397 \$ 86,931 \$ 86,932	\$140,397 \$ 86,931 \$ 86,932	3	\$124,983	\$616,265
Charles Co.	\$250,000	\$250,000	4	\$141,110	\$404,051
Frederick Co.	\$250,000	\$250,000	2	\$36,866	\$419,112
Garrett Co.	\$250,000 \$250,000	\$250,000 \$125,000	3	\$122,140	\$752,860
Harford Co.	\$120,000 \$100,000	\$120,000 \$100,000	4	\$203,595	\$236,405
Howard Co. JREF	\$250,000	\$250,000	17	\$957,240	\$944,919
Montgomery	\$250,000 \$250,000	\$250,000 \$250,000	7	\$342,326	\$658,675
Prince George's	\$250,000	\$250,000	1	\$100,000	\$400,000
Salisbury/Wicomico	\$203,104	\$101,552	1	\$57,120	\$456,882
Somerset Co.	\$191,975 \$250,000	\$95,987 \$250,000	14	\$686,608	\$93,479
St. Mary's Co.	\$250,000	\$250,000	4	\$120,447	N/A
City of Hagerstown/ Washington Co.	\$250,000	\$250,000	4	\$206,941	\$546,437
Totals	\$5,179,339	\$4,806,799			