

## GAP FINANCING PROGRAM

### BACKGROUND

The Gap Financing Program was developed by the administration of Mayor Michael Nutter and was enhanced through funding from the American Recovery and Reinvestment Act of 2009. The intent of the Gap Financing Program is to stimulate community-based economic development projects with substantial funding gaps.

### USES

Funds must be used for the acquisition of property, new construction, substantial rehabilitation or expansion, or predevelopment costs (architectural, engineering, and environmental services). This funding only can be used for expenses associated with activities incurred on or after the award date.

Funding may not be used for the purchase of machinery or equipment, the construction of buildings for the general conduct of government, political activities, operating and maintenance expenses, or for casinos or other gambling institutions, aquariums, zoos, golf courses, or swimming pools.

### ELIGIBILITY

Applicants may include building owners, developers, or tenants of commercial, industrial, institutional, mixed-use, or cultural facilities.

### FINANCING

Loan Amount: \$100,000 to \$1,000,000

Financing will not exceed 25% of total project costs.

Interest Rate: 2-5%.

Collateral: Loans may be secured by the assets being financed or such other collateral including personal or corporate recourse as required by PIDC.

Term: Loans shall be consistent with the life of the improvements financed.

### PROCESS AND TIMING

Projects will be selected initially through one or more rounds of deadline-driven application pools, with the potential thereafter for the establishment of a rolling selection process with standard criteria once a benchmark has been established for job creation performance. Funding availability will be posted on [www.pidc-pa.org](http://www.pidc-pa.org).

### FEES

**Origination Fee:** 1.5% of the financing amount provided, payable upon settlement.

Fees are subject to change. Please confirm all transaction fees with PIDC prior to application.

For more information on PIDC and the Gap Financing Program, please contact Susan Lowry at (215) 496-8161 or [slowry@pidc-pa.org](mailto:slowry@pidc-pa.org)