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Contact:

Ellen Svrcek, VP, Marketing and Business Development
717-869-5433
esvrcek@communityfirstfund.org

Community First Fund and Impact Harrisburg Launch New Loan Fund for Harrisburg Businesses

March 20, 2018 – Harrisburg, PA: This morning Community First Fund and Impact Harrisburg announced the launch of the Harrisburg Business Opportunity Fund, a new loan fund dedicated to supporting business and commercial development in the City of Harrisburg.

The program was unveiled at a press event held at the headquarters of the Pennsylvania Housing Financing Agency (PHFA) in Harrisburg. Daniel Betancourt, President and CEO of Community First Fund, Sheila Dow Ford, Executive Director of Impact Harrisburg, and Brian Hudson, Executive Director and CEO of the PHFA, spoke at the event.

Community First Fund, a regional nonprofit community development financial institution, approached Impact Harrisburg with the idea for this dedicated loan program last year. Both organizations collaborated to create a program that would support business and commercial development in the city's disadvantaged neighborhoods. Ultimately, Community First received a \$350,000 grant from Impact Harrisburg and a \$650,000 grant from the PHFA, through its wholly-owned subsidiary the Commonwealth Cornerstone Group, to establish the Harrisburg Business Opportunity Fund. It is hoped that every dollar granted will leverage additional private and government investment, and provide more financing opportunities for Harrisburg business owners.

"The launch of the Harrisburg Business Opportunity Fund provides a new financial space for business owners within the City of Harrisburg," says Sheila Dow Ford, Executive Director of Impact Harrisburg. "The partners to this project, Impact Harrisburg, Community First Fund and the PHFA are all communicating through their financial and administrative contributions, their commitment to the rebuilding of the city in a manner that is inclusive of often marginalized communities and business owners."

The Harrisburg Business Opportunity Fund will be a revolving loan fund focused on driving economic growth and help tear down the barriers that Persons of Color, especially African Americans, face in accessing business loans. The goal is to strengthen the city's underserved neighborhoods by financing

businesses that improve the quality of life for residents in these communities. As project owner, Community First Fund will control the loan program.

“This - the loan fund- is a lift-up program that is designed to help develop and grow new and existing businesses; it is a loan program with a mission at its core: to build a diverse, multi-facets business community that reflects the demographics and characteristics of the city of Harrisburg,” states Sheila Dow Ford.

It is estimated that the first one million dollars (\$1 Million) in the loan fund will finance 20 businesses with an average loan of \$50,000 and create approximately 60 jobs. This will increase the city’s tax base by redeveloping currently unused or under used commercial properties, including vacant and blighted properties. Each business financed will hire an average of 3 employees, who will pay tax on their earned income.

Under the program structure, loans can be made to small businesses located in Harrisburg that realize annual revenues of up to two million dollars (\$2 Million). Loan funds may be used for property acquisition, purchase of equipment, other business assets, general working capital, contract financing, leasehold improvements, and other general and customary business uses.

Loans will be made to businesses whose main revenue is produced from activities that improve the quality of life and provide economic development opportunities that have a positive impact within the city. Loans will be priced at 5% fixed for up to 7 years.

Community First Fund will use flexible underwriting standards on a case-by-case basis. It will pursue best practices to assess project feasibility and cash flow capacity, including assessment of financial projections and business plans. They also will provide business counseling and technical assistance to entrepreneurs who need guidance.

“It’s been a dream of the city’s leaders to create a fund to help city businesses,” says Daniel Betancourt, President and CEO of Community First Fund. “We are looking forward to reaching more entrepreneurs and small business owners in Harrisburg and facilitating economic and employment growth.”

Interested parties should contact Community Fund’s Harrisburg office located at 922 N. 3rd Street. Kenneth Hammaker, Vice President, Community Lending (717-920-1520) and Elyse Irvis, Business Development Associate (717-823-7160) are the local staff that will be meeting with potential applicants and assisting with the loan application process.

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About Community First Fund

Community First Fund is the premier economic development organization serving the low income communities of central and eastern Pennsylvania. The 501(c)(3) nonprofit organization provides loan capital to businesses, real estate developers and community support organizations throughout the region. Since 1992, Community First Fund has made more than 1650 loans and investments totaling over \$207 million to businesses, affordable housing and community based developers, and community based programs and initiatives. Get more information on Community First Fund at www.communityfirstfund.org.