



Maryland Department of Housing & Community Development Community Development Administration

Lawrence J. Hogan Jr
Governor
Boyd K. Rutherford
Lt. Governor
Kenneth C. Holt
Secretary

Neighborhood BusinessWorks Loan Program Fact Sheet

Purpose of the Program

The Neighborhood BusinessWorks program (NBW) provides a revitalization resource to help stimulate investment in Maryland's older communities. The NBW loans provide flexible loan financing to small businesses located in or expanding in locally designated neighborhood revitalization areas throughout the State.

Eligible Applicants

- Maryland-based small businesses (small business as defined by the U.S. Small Business Administration)
- Nonprofit organizations whose activities contribute to a broader revitalization effort and whose projects are intended to promote investment in commercial districts or town centers

Note: Local governments are not eligible applicants.

Amount of Financing Available

- Loans up to \$5 million
- Each project assessed for financial need
- Refinances will be considered

Eligible Projects

- Retail businesses, including franchises
- Manufacturing businesses
- Service-related businesses Mixed-use projects, consisting of a commercial or retail use at street level and residential units

Note: Some restrictions apply. See Restrictions section which follows.

Eligible Uses of Funds

- Market/planning/feasibility studies
- Real estate acquisition
- New construction or rehabilitation
- Leasehold improvements
- Machinery and equipment
- Working capital (when part of total project cost)
- Certain other costs associated with opening or expanding a small business

Notes: (1) A Minority Business Enterprise Plan is required for those projects where NBDP funds will exceed \$250,000 for construction or rehabilitation.
(2) Construction projects are reviewed by this Department's offices of Maryland Historical Trust and Codes Administration prior to funding.

Loan Terms

- Interest rate based on market conditions & on underwriter's analysis
- Loan term up to 15 years, depending on loan size and underwriting
- Minimum 10 percent applicant capital cash contribution is required (based on total project cost)
- Personal guarantees and collateral are required
- No prepayment penalties



The Maryland Department of Housing and Community Development (DHCD) pledges to foster the letter and spirit of the law for achieving equal housing opportunity in Maryland.

Criteria Considered

- Project viability and potential
- Impact of the project on its neighborhood
- Significant exterior improvements
- First floor commercial or retail space use which generates street level activity
- Improvements to a vacant/underutilized building or site
- Introduction of needed goods or services to a neighborhood
- Creation of new jobs
- Readiness to proceed

Restrictions & Considerations

Priority is given to projects that strengthen neighborhood commercial districts and are part of a greater revitalization strategy. The following types of projects and activities will not be considered for NBW financing:

- Speculative developments (All properties must be pre-leased for a minimum of 51% of the leasable space prior to loan closing.)
- Residential or transient living facilities (other than mixed-use projects described in Eligible Projects section), e.g., multifamily or single-family housing developments, nursing homes, assisted living facilities, crisis care centers, group homes, transitional housing, and homeless shelters
- Facilities such as community halls, fire stations, hospitals, colleges, or universities
- Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities, gun shops, liquor stores, massage parlors, pawn shops, tanning salons, or tattoo parlors

Application

A complete NBW loan application consisting of the items on the Required Documentation Checklist in the application package must be submitted before a project can be fully processed. If the application for funds is approved, additional documentation will be necessary to close the loan.

For Additional Information

Please contact:

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Neighborhood BusinessWorks Program
7800 Harkins Road
Lanham, Maryland 20706
<http://www.neighborhoodrevitalization.org/Programs/NBW/NBW.aspx>
MD Relay for the Deaf: 1-800-735-2258

Employment Opportunities

As part of Maryland's continuing efforts to provide successful Welfare-to-Work opportunities, the Department of Housing and Community Development encourages Neighborhood Business Development Program applicants to make jobs available to Temporary Cash Assistance recipients. For further information on how to reach these resources, please contact the Department of Human Resources, Office of Work Opportunities at 410-767-7976 or the Department of Labor, Licensing and Regulation, Office of Employment Training at 410-767-2800 or the Maryland Job Service at 410-767-3416. Maryland also maintains a job bank on the internet at <https://mwe.dllr.state.md.us/JobSeeker/JobSeekerHome.asp>