

RCW 43.168.050 Application approval—Conditions and limitations.

(1) The director may only approve an application providing a loan for a project which the director finds:

(a) Will result in the creation of employment opportunities, the maintenance of threatened employment, or development or expansion of business ownership by minorities and women;

(b) Will conform to federal rules and regulations governing the spending of federal community development block grant funds;

(c) Will be of public benefit and for a public purpose, and that the benefits, including increased or maintained employment, improved standard of living, the employment of disadvantaged workers, and development or expansion of business ownership by minorities and women, will primarily accrue to residents of the area;

(d) Will probably be successful;

(e) Would probably not be completed without the loan because other capital or financing at feasible terms is unavailable or the return on investment is inadequate.

(2) The director shall, subject to federal block grant criteria, give higher priority to economic development projects that contain provisions for child care.

(3) The director may not approve an application if it fails to provide for adequate reporting or disclosure of financial data to the director. The director may require an annual or other periodic audit of the project books.

(4) The director may require that the project be managed in whole or in part by a local development organization and may prescribe a management fee to be paid to such organization by the recipient of the loan or grant.

(5) The director may approve an application which results in a loan or grant of up to one million dollars.

(6) The director shall fix the terms and rates pertaining to fund loans.

(7) Should there be more demand for loans than funds available for lending, the director shall provide loans for those projects which will lead to the greatest amount of employment or benefit to a community. In determining the "greatest amount of employment or benefit" the director shall also consider the employment which would be saved by its loan and the benefit relative to the community, not just the total number of new jobs or jobs saved.

(8) To the extent permitted under federal law the director shall require applicants to provide for the transfer of all payments of principal and interest on loans to the fund created under this chapter. Under circumstances where the federal law does not permit the director to require such transfer, the director shall give priority to applications where the applicants on their own volition make commitments to provide for the transfer.

(9) The director shall not approve any application to finance or help finance a shopping mall.

(10) For loans not made to minority and women-owned businesses, the director shall make at least eighty percent of the appropriated funds available to projects located in distressed areas, and may make up to twenty percent available to projects located in areas not designated as distressed. For loans not made to minority and women-owned businesses, the director shall not make funds available to projects located in areas not designated as distressed if the fund's net worth is less than seven million one hundred thousand dollars.

(11) If an objection is raised to a project on the basis of unfair business competition, the director shall evaluate the potential impact of a project on similar businesses located in the local market area. A grant may be denied by the director if a project is not likely to result in a net increase in employment within a local market area.

(12) For loans to minority and women-owned businesses who do not meet the credit criteria, the director may consider nontraditional credit standards to offset past discrimination that has precluded full participation of minority or women-owned businesses in the economy. For applicants with high potential who do not meet the credit criteria, the director shall consider developing alternative borrowing methods. For applicants denied loans due to credit problems, the department shall provide financial counseling within available resources and provide referrals to credit rehabilitation services. In circumstances of competing applications, priority shall be given to members of eligible groups which previously have been least served by this fund. [2005 c 136 s 5; 1993 c 512 s 12; 1990 1st ex.s. c 17 s 74; 1989 c 430 s 9; 1987 c 461 s 4; 1986 c 204 s 2; 1985 c 164 s 5.]

Savings—Effective date—2005 c 136: See notes following RCW 43.168.020.

Intent—1990 1st ex.s. c 17: See note following RCW 43.210.010.

Severability—Part, section headings not law—1990 1st ex.s. c 17: See RCW 36.70A.900 and 36.70A.901.

Legislative findings—Severability—1989 c 430: See notes following RCW 43.31.502.