

Revolving Loan Program



What is the Revolving Loan Program?

The revolving loan program is managed by the City of Buena Vista for small businesses to provide needed capital for start-up and improvements.

Loans are provided with funding received through USDA Rural Development. Applications are reviewed by committee as they are received. Maximum loan award is \$15,000 at 3% interest over three years.

What will the RLP fund?

The Revolving Loan Program will fund the following:

- Acquisition and development of land, easements, and rights-of-way.
- Business equipment and machinery
- Access streets, roads, and parking areas
- Construction, conversion, enlargement, repair and/or modernization of buildings
- Pollution control and abatement facilities.
- Startup operating costs and working capital

What are the criteria?

- The business must be located in the City of Buena Vista.
- No assistance for any project will exceed \$15,000 without substantial evidence of significant economic and social benefit.
- One permanent job must be created or retained for every \$10,000 of funds loaned and the RLF loan can be no more than 75% of the total project cost.
- The minimum private (business/owner) investment or equity in the project is 25% of the project cost.
- There must be evidence that program loan funds are necessary to make the proposed project feasible.
- The project must be eligible under the United States Department of Agriculture guidelines to receive funding.
- Employees of USDA-RD or persons related to employees of USDA-RD are not eligible for lending from the IRP or RBEG funds



RLP seem like a good fit? Here are some more things to note!

Are there additional criteria for construction or improvement loans?

- Applicants seeking funding for property improvements must submit a detailed plan of proposed improvements subject to the review of the Loan Review Committee.
- All applicants seeking funding must commence the property improvements, expansions, or construction within eight months of receiving funding. A project that does not abide by this timeline would constitute an event of non-compliance requiring immediate recapture of the loan balance. Upon initial notification of non-compliance, the recipient may request a remediation period for successful resolution of the non-compliance.
- The fund will not provide financing in excess of 15% of the total project cost to secure conventional lender financing.
- There must be evidence that no significant negative land use or environmental impacts will occur as a result of the project.

Are there additional criteria for seed/working capital loans?

- There must be evidence that the project is feasible and that the business requesting assistance can continue in the foreseeable future.
- Financial and business plans are required within the application process and subject to thorough review.

How will progress be monitored?

The City of Buena Vista will:

- Provide follow-up assistance to borrowers, including site visits and financial record reviews.
- Assist businesses in issues concerning unexpected events and future growth.
- Provide business consulting through key personnel on the Loan Review Committee.

Contact Kristina Ramsey if you have any questions!

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