

UPPER SANDUSKY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

# REVOLVING LOAN PROGRAM



## What is a Community Development Block Grant (CDBG) Revolving Loan Fund RLF?

An RLF provides loan funds for businesses located within the City limits who are willing to make an investment in real and/or personal property and retain/create jobs.

Provides Low-Interest, Fixed Asset, Gap Financing to Local Businesses



**50/50**

**MATCHING**

**\$25,000**

**FOR JOBS**

Provides 50/50 matching loan funds, \$25,000 for each job retained and/or created with total loan amount dependent on project type and available RLF balance



## Who can apply for RLF money?

Local, for-profit, commercial and industrial businesses. Businesses must be located within the city limits.

**LOCAL**

For-Profit Commercial Industrial

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## What Can RLF Money Be Used For?

### Fixed Asset Financing Including:

- Acquisition of Land/Buildings
- Machinery/Equipment
- New Construction
- Building Renovation



## What Can't RLF Money Be Used For?

- Refinancing of Existing Debt
- Non-Economic Development Projects
- Training Costs



## What Are The Rules/Regulations For Using CDBG RLF Funds?

- Federal Davis Bacon wages must be paid on labor
- The Ohio Historic Preservation Office (OHPO) must review the renovation project if building being renovated is over 50 years of age
- An Environmental Review Record (ERR) must be completed
  - No portion of the project can begin until project is approved by City and ERR clears at the State
  - At least 51% of new jobs created/retained must be made available to persons from low-and moderate-income households (LMI)
- At least 5% in cash equity must be included toward the project's fixed asset cost
- At least 15% of project's fixed asset cost must be privately financed
- Loans are only available for projects that require gap financing

**RULES**

## What type of paperwork must be completed?



### ✔ Application Form

- Includes historical financials, financial projections, personal financials and business plan
- Has a \$100 application fee, refundable if application is approved

### ✔ Closing Binder Documents to secure the City's interest

- Project agreement, promissory note, mortgage and/or Uniform Commercial Codes

### ✔ Job Certification Forms completed by each new job applicant or retained employee



## What is the timeframe?

- An RLF Committee Meeting will be called as soon as application is filed (typically within 1-2 weeks) to review application, financials and recommend loan amount, rate and term to City Council
- The ERR takes between 4-12 weeks to be approved and released, depending on type of project (machinery/equipment vs construction/renovation)

