

COUNTY OF RIVERSIDE
MICROENTERPRISE LOAN

The County of Riverside Microenterprise Loan Program (MLP) is designed to provide critical and necessary business financing, at affordable rates and terms, to Microenterprise businesses (*a small **business that employs no more than 5 employees, and is operates with a small amount of capital, that may specialize in providing goods or services for their local areas***) in the County of Riverside. The intent of the MLP is to provide "appropriate" assistance to businesses, which in turn will allow them to expand and diversify, create and/or retain jobs, and increase the commercial and industrial base of the community.

MLP priority will be given to microenterprises that:

1. create or retain jobs;
2. are located in, and serve, very low-income communities;
3. have potential for growth and expansion; and
4. have the potential to greatly upgrade the skills and wages of employees.

Loans will not be made to microenterprises that are **not** located within the eligible target areas within the County of Riverside, nor will loans be made if the loan underwriting criteria cannot be met or if the loan committee denies the application. Loans will be disbursed until all funds are exhausted for existing year.

Owners of microenterprises applying for the program must have already unsuccessfully applies for traditional financing programs such as Small Business Administration (SBA) loans and commercial lending institutions. The Community Development Block Grant (CDBG) program is designed and intended for those businesses that may not qualify for conventional or commercial business loans but have the potential for growth and job creation.

The following elements are essential for the consideration of applications for the MLP program:

- The microenterprise must meet all CDBG program requirements pursuant to 24 CFR 570.201 (o);
- At the time of application, the microenterprise can have no more than five (5) full-time employees including the owner (s);
- At the time of application, the microenterprise must meet one of the following CDBG National Objectives:
 - The owner(s) must have total household incomes that do not exceed the Target Income Group (TIG) income limits (80% of the median household income); or
 - The microenterprise is located in and primarily serves an eligible low-income community (based upon 2010 Census).
- The owner(s) of the microenterprise can demonstrate the existence of a "financial gap" that prevents the business from securing the necessary financing at affordable rates and terms;
- The terms and conditions of the proposed MLP are appropriate
- The owner(s) must demonstrate acceptable creditworthiness and both applicable experience and knowledge to successfully carry out the proposed activities;
- The proposed loan meets the MLP's underwriting criteria; and
- The owner(s) must meet the 5% equity requirement.
- The owner(s) is/are required to fulfill training or planning requirements before your loan application is considered. This business training is designed to help you expand your business.

ELIGIBLE MLP TARGET AREAS

CDBG funds will be used to provide MLP loans to qualified microenterprise businesses that are located within the County of Riverside's Urban County CDBG Program area. The program area includes all of the unincorporated areas as well as the following Cooperating Cities:

| | | |
|-------------|--------------|--------------------|
| Banning | Beaumont | Blythe |
| Canyon Lake | Coachella | Desert Hot Springs |
| Eastvale | Indian Wells | Lake Elsinore |
| La Quinta | Murrieta | Norco |
| San Jacinto | Wildomar | Jurupa Valley |

The larger unincorporated communities within the County of Riverside include but are not limited to the following:

| | | | |
|-----------|-------------|-----------|------------------|
| Cabazon | Mecca | Ripley | Mesa Verde |
| Highgrove | Mead Valley | Good Hope | Lakeland Village |
| Anza | Winchester | Idyllwild | Thousand Palms |

ELIGIBLE MLP BUSINESS TYPES (NOTE: *this is not an exact list*)

- Manufacturing
- Innovation/Technology
- Services
- Agricultural
- Automotive
- Office
- Renewable & Advanced Energy
(Solar Power contractor/services)
- Retail
- Restaurants, Food Service
- Construction related firms

ELIGIBLE USES OF MLP FUNDS

- Owner and Employee training
- Machinery, vehicle, equipment purchases
- Working capital
- Environmental, Health & Safety, and Regulatory Compliance
- Technical Assistance, Permitting, Assessments, and Fees

INELIGIBLE MLP BUSINESS TYPES (SUBJECT TO CHANGE)

- Logistics and distribution
- Photovoltaic arrays (aka “Solar Farms”)
- Residential or real estate projects
- Non-profit companies
- Tattoo Parlors
- Smoke Shops
- Casinos/gaming establishments
- Medical marijuana
- Gun Shops
- Adult-entertainment related businesses
- Start-up companies*
** Defined as a company with no historical track record*

Repayment Terms, Interest Rates, and Fees

Loan repayment terms vary according to several factors:

- Loan amount
- Planned use of funds
- Loan program requirements
- Needs of the small business borrower

The maximum repayment term allowed for a CDBG microloan is ten (10) years

Interest rates vary, depending on underwriting results. Generally, these rates will be between 2 and 5 percent.

APPLICATION PROCESS:

Microenterprise Loan Program application can be obtained online at: www.rivcobiz.com, business technical assistance providers, or directly from County of Riverside EDA staff. View the list of technical assistance providers below:

Small Business Center- Riverside

3499 10th Street, Suite 100
Riverside, CA 92501
T:951.955.8916
F:951.955.6686

Coachella Valley & Inland Empire Women's Business Center- IE

1003 East Cooley Dr.
Colton, CA 92324
(909) 890-1242

Coachella Valley Small Business Development Center

44199 Monroe St # B,
Indio, CA 92201
T: (760) 848-4096

Coachella Valley SCORE

43-100 Cook Street, Suite
104
Palm Desert, CA 92211
(760) 773-6507

Inland Empire Small Business Development Center

3780 Market Street
Riverside, CA 92501
(951) 781-2345

Inland Empire SCORE

3985 University Ave
Riverside, CA 92501
(951) 652-4390

Coachella Valley & Inland Empire Women's Business Center

77-806 Flora Road. Suite A
Palm Desert, CA 92211
(760) 345-9200