



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Discussion and possible action regarding the BEDC's Revolving Loan Fund (RLF), including possible edits to the document and the appointment of members to the RLF Committee.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM

BACKGROUND/HISTORY:

The BEDC board recently adopted a small business loan program made possible by the generous donation of Roscoe Bank. The program, known as the Revolving Loan Fund (RLF). The requirements of the program require the BEDC to appoint committee members to an RLF committee to assist staff in the review of applications.

The document crafted by staff and reviewed by legal was absent the “how” the board members would be appointed to committee. This agenda item seeks to clarify the “how”. The committee members would be appointed by the board at a scheduled meeting in order to allow any interested board member the opportunity to be appointed to the board.

The other option is to allow the board chair to appoint an ad hoc committee as needed when applications are received.

Additionally, it seeks to remove the BEDC from the actual loan originator to a loan guarantor. With possible assistance from Roscoe Bank, the staff seeks to change the RLF policy to have the applicant first apply with Roscoe Bank, and if necessary (due to credit or other limitations) the BEDC may then guarantee the loan by moving the loan funds to a restricted account that would pay Roscoe in the event of applicant default.

At the time of print of the agenda and packet, this has not been fully vetted with Roscoe bank. A meeting is scheduled and the board will be brought up to speed the evening of the board meeting.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Amend the RLF document clarifying how the committee members will be appointed and the manner in which loans are funded.

ATTACHMENTS:

1. RLF redlined document