

BUSINESS REVOLVING LOAN FUND (RLF)

A. CDBG COMPLIANCE THRESHOLD REVIEW

Instructions: Complete this threshold review before applying the project scoring matrix. All applicable threshold requirements must be satisfied for a project to proceed to scoring and funding consideration.

Threshold Requirement	Standard	Determination (check one box)
CDBG Eligible Activity	Project qualifies as an eligible economic development activity under applicable CDBG requirements and the RLF Program Manual.	☐ Yes ☐ No ☐ N/A
National Objective	Project meets and documents an applicable CDBG national objective, including low- and moderate-income benefit or another eligible national objective, as applicable.	☐ Yes ☐ No ☐ N/A
Appropriateness of CDBG/RLF Assistance	Underwriting demonstrates that RLF assistance is necessary, reasonable, and limited to the amount needed to make the project feasible. Assistance should not replace available private financing or result in excessive public subsidy.	☐ Yes ☐ No ☐ N/A
CDBG/Federal Compliance	Project can reasonably comply with applicable environmental review, duplication-of-benefits, conflict-of-interest, labor, procurement, recordkeeping, and other federal requirements, as applicable.	☐ Yes ☐ No ☐ N/A
Financial Feasibility	Underwriting demonstrates reasonable project feasibility, repayment capacity, and an acceptable level of financial risk.	☐ Yes ☐ No ☐ N/A

Threshold Determination: All applicable threshold requirements must be satisfied before the project is scored. A project that does not meet an applicable CDBG eligibility, national objective, financial feasibility, or compliance requirement is not eligible for a funding recommendation regardless of its scoring matrix total.

B. SCORING MATRIX

Instructions for Reviewers

If the purposed project meets all threshold criteria, reviewers will utilize the following project scoring criteria to evaluate the purposed project for the purposes of making a funding recommendation.

Assign one score from 1 to 10 for each criterion based on how well the project meets the corresponding descriptions. Use the scoring guidance provided for each category to support consistent and objective evaluations. Add the points for all criteria to calculate the total project score. A project must receive a minimum total score of 75 points to be considered for a funding recommendation. Where appropriate, include comments to justify the assigned scores.

Evaluation Criteria (A minimum of 75 points is required):

Criteria Score each criterion from 1–10 based on the extent to which the project meets the factors described.	Scoring Guidance	Supporting Documentation
1. Employment Opportunities – Employment Opportunities – Evaluates the project's ability to create or retain permanent jobs, with emphasis on jobs benefiting low – and moderate-income persons.	1–3: Little/no documented job creation or retention; below the FTE benchmark or unsupported commitments. 4–6: Meets the benchmark with documented positions, timing, and wages. 7–10: Exceeds the benchmark and/or adds strong LMI, wage, benefit, or retention outcomes.	Job schedule; employee roster/payroll; wage and benefit data; hiring commitments; LMI documentation, as applicable.

Criteria Score each criterion from 1–10 based on the extent to which the project meets the factors described.	Scoring Guidance	Supporting Documentation
2. Spin-off Development Potential – assesses the potential to stimulate additional private investment and economic development.	1–3: Little evidence of benefits beyond the assisted business. 4–6: Some secondary benefit, such as property reuse, added foot traffic, or support for nearby businesses. 7–10: Multiple benefits, such as blight removal, anchor activity, new investment, or expanded commercial activity.	Site photos; market study; redevelopment plan; leasing/interest letters; business district or project-area data.
3. Tax Base Generation – Evaluates the project's contribution to increasing the local tax base and increase in business activity. Increases local tax base relative to public expenditures.	1–3: Little documented increase in assessed value, tax revenue, or business activity. 4–6: Documented increase in one or more fiscal measures. 7–10: Strong increase in assessed value, tax revenue, and/or business activity relative to RLF investment.	Current/projected assessed value; tax estimates; appraisal; redevelopment pro forma; property records; revenue projections.
4. Private Investment & Appropriateness of RLF Assistance– Evaluates whether RLF assistance is limited to the demonstrated financing gap and maximizes private and other non-CDBG investment.	1–3: Less than \$1 of documented private/non-RLF investment per \$1 of RLF assistance; relatively high reliance on public assistance. 4–6: \$1–\$3 per \$1 of RLF assistance; reasonable public/private financing balance 7–10: More than \$3 per \$1 of RLF assistance; score higher for firm, fully documented commitments. strong leverage and limited reliance on RLF assistance.	Bank commitments; equity verification; investor/grant commitments; sources and uses; proof of funds.

Criteria Score each criterion from 1–10 based on the extent to which the project meets the factors described.	Scoring Guidance	Supporting Documentation
5. Benefit-to-Risk Ratio – Assesses whether the anticipated public benefits justify the City’s Financial Risk, repayment ability, financial strength, management experience, and collateral adequacy.	1–3: Higher residual risk with limited or weakly documented public benefit. 4–6: Manageable risk with reasonable repayment capacity and meaningful public benefit. 7–10: Strong financial/management position and substantial public benefit relative to City exposure.	Underwriting report; repayment/collateral analysis; financial statements; management resumes; public-benefit documentation.
6. Economic Impact – Evaluates the project’s overall contribution to the local economy and job growth. (i.e., will not cause displacement of competing jobs)	1–3: Limited local economic benefit or unresolved displacement concerns. 4–6: Documented benefit through jobs, services, business activity, or reuse of vacant space. 7–10: Multiple strong benefits with no identified prohibited displacement concern.	Business plan; market study; job schedule; lease/site data; sales projections; service-area data; displacement analysis, if applicable.
7. Neighborhood Impact – Measures land-use compatibility and neighborhood benefits such as blight removal, property improvement, safety and revitalization.	1–3: Limited neighborhood benefit or unresolved compatibility concerns. 4–6: Documented property, service, appearance, or compatibility improvements. 7–10: Multiple benefits, such as blight removal, major reuse, safety improvements, needed services, and strong compatibility.	Site photos; inspections; zoning/land-use review; neighborhood/redevelopment plan; project plans; stakeholder input.

Criteria Score each criterion from 1–10 based on the extent to which the project meets the factors described.	Scoring Guidance	Supporting Documentation
8. Conformance with City Plans – Evaluates consistency with the City’s adopted Comprehensive Plan, Consolidated Plan, Redevelopment Plan, and economic development priorities.	1–3: Limited connection to an adopted City plan or priority. 4–6: Directly supports at least one identified plan goal, strategy, or targeted area. 7–10: Advances multiple plan goals or implements a high-priority action in a targeted area. Scored by Development Staff	Applicable plan excerpts; land-use map; zoning determination; Consolidated Plan or redevelopment-area references; staff analysis.
9. Local Employment & Community Commitment - Measures long-term local commitment through employment, partnerships, community involvement, purchasing, and investment; local ownership is not required.	1–3: Limited local employment, partnerships, community involvement, or long-term investment. 4–6: Meaningful commitment through one or more local employment, partnership, purchasing, or investment factors. 7–10: Strong long-term commitment demonstrated through multiple local employment, partnership, community, and investment factors.	Employee/location data; partnership letters; vendor information; community participation records; lease/deed; investment/expansion plans.
10. Management Readiness – Measures management experience, business planning, financial-management capacity, and ability to implement the project.	For New Business 1–3: Weak/incomplete plan or limited relevant experience. 4–6: Complete, reasonable plan with relevant experience and credible projections. 7–10: Well-supported plan, strong experience, clear milestones, and realistic projections. For Established Businesses	Business plan; resumes; organizational chart; tax returns/financial statements; interim statements; projections; ratio analysis; implementation schedule.

Criteria Score each criterion from 1–10 based on the extent to which the project meets the factors described.	Scoring Guidance	Supporting Documentation
	1–3: Persistent losses, weak liquidity, decline, or unsupported projections. 4–6: Stable operations with acceptable profitability, cash flow, and liquidity. 7–10: Sustained profitability/cash flow, sound liquidity, and realistic projections. Review three years of financial information, where available.	
11. Project Readiness – Measures the project’s ability to proceed promptly based on site control, environmental review, financing, estimates/bids, approvals, and schedule.	1–3: Major readiness items unresolved; start date uncertain. 4–6: Key items underway, with some material conditions remaining and a credible schedule to resolve them. 7–10: Most or all readiness items documented and complete or near completion, with a realistic near-term start schedule.	Deed/lease/purchase agreement; environmental-review records; financing commitments; estimates/bids; permits/approvals; project schedule; contracts/letters of intent.
12. Overall Risk Rating Alignment - Integrates the finance department/underwriting consultant's Low/Moderate/Elevated/High risk rating into scoring.	1–3 pts: High risk; repayment uncertain; funding not recommended. 4–6 pts: Elevated risk; requires substantial conditions or safeguards. 7–10 pts: Low to moderate risk; acceptable with standard monitoring.	
Total	____/120	Proposed Minimum 75