



Winooski Small Business Loan Committee - Virtual Meeting

Monday, October 30, 2023, at 12 PM

- Attend online: <https://us06web.zoom.us/j/83705383153>
- Attend by phone: 1 646 558 8656
- Webinar ID: 837 0538 3153

I. Call to Order

II. Public Comment

III. Discussion/Approval to Recommend that City Council Adopt Amendments to the Small Business Loan Program Guidelines

Documents:

[WSBL Program MOU Addendum_2023 draft.pdf](#)

IV. Discussion/Approval to Recommend that City Council Award a Tier 4 Loan to Downtown Winooski (if Program Guideline Amendments are Adopted)

V. Adjourn

Addendum to Winooski Small Business and Non-Profit Organization Loan Program Guidelines
_____, 2023

Tier 4 – Eligible for WSBL for COVID-19 Relief Emergencies

These are applicants who have been affected by the spread of COVID-19 and/or have lost income due to business closure/shutdown or reduced hours extraordinary circumstances such that their business or non-profit organization is in need of emergency funding. An 'extraordinary' circumstance is defined as one that is an exception to the norm, infrequent in nature, and unlikely to recur in the foreseeable future. It does NOT include funding needed as a result of business owner negligence or fraud. In addition, these criteria will apply:

1. If the Applicant has been in business in Winooski: In place of Section 5, part B. 110, the business or non-profit organization is to provide a written narrative that describes the nature of your extraordinary circumstances, why you need emergency funding, and a plan that avoid the issue in the future. Please provide some evidence backing up this narrative.
 - a. For three years or more, they will qualify, and OCU will not require the income documents noted in Section 5 part B. For less than three years, all of Section 5 part B applies.
2. The maximum loan amount will be \$1050,000, with a rate of 5.256.990% and the maximum term will be 5 years E.
3. During the first 4 months of the loan, no interest or principal payments will be required from the business or non-profit organization. However, OCU will continue to invoice the City of Winooski for the interest accrued during these months at a rate of 6.990%. In months 5 through 24 of the loan, no interest payments will be required, but principal payments will be required. After month 24 of the loan, the borrower will be required to make full monthly payments, encompassing both principal and interest, in accordance with the prevailing OCU rate at that time ~~interest will be charged to the borrower based on the standard OCU rate at that time and principal payments will continue to be required.~~
4. WSBL program funds will be used to secure loan principal, and will also be used to cover 100% of OCU's first two years of interest not charged to the borrower (interest buy-down) for loans meeting Tier 4 underwriting criteria.
5. In addition to the original agreements, these loans will have an additional 30 days (90 total) until they default. At this point the loans will be charged-off against the City of Winooski deposit account.
6. The WSBL Committee will use the following criteria to evaluate applications:

Commented [EW1]: For OCU to review

Commented [EW2]: For OCU to review

Criteria

Staff Analysis

Score**

Operating in Winooski over 3 years		
Highly visible location for potential vacant space		
Creates jobs or retains jobs		
Adds business types currently under-represented or lacking in the City and desired by the community		
Self-Certified MBE or WBE (Minority Owned Business, or Women Owned Business, Minority-Led Non-Profit Organization, or Women-Led Non-Profit Organization)		
TOTAL SCORE	Potential 10 points. 5 points required for staff to recommend to City Council to approve.	

** Scoring:

- 0 – Does not meet criteria
- 1 – Meets minimum level of criteria
- 2 – Meets high level of criteria

X

~~Jessie Baker~~ Elaine Wang, City Manager, City of Winooski

X

Kate Laud, CEO, Opportunities Credit Union