

Memorandum

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Community & Economic Development

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To: Winooski Small Business Loan Program Committee

RE: April 30th Meeting – Discussion of Tier 4 Covid-19 Relief Loan Evaluation Criteria

At the loan evaluation committee's meeting on April 16th, several questions related to the evaluation criteria were raised. The latest loan applications have brought to light several additional questions. In order to ensure a fair, consistent, and impartial evaluation of loan applications, the committee will discuss and establish answers to the following questions:

1. For businesses with known code violations, should we condition receipt of funds on bringing business up to code within the loan term (generally 60 months)?
2. Are home operations with no storefront eligible for these loans?
3. Should we establish a minimum evaluation score required to receive funding or is there a threshold under which partial funding may be awarded? For example only, applications scoring under 50% of the possible points could potentially be recommended for a partial award based on a multiplier of the requested amount based on the percentage of points scored.
4. Should we create tiered scoring based on years a business has been in operation? This could be based on the 3 years in business exemption specifically written into the loan program. This doesn't create bonuses for "legacy" businesses, but does give higher scores to businesses that have demonstrated financial viability by remaining in operation for a period of years. For example:
 - 2 pts. = 3 years or more
 - 1 pt. = 1 year to just under 3 years
 - 0 pt. = under 1 year



5. Should there be established tiers for scoring the visibility of potential vacancy? For example:
- 2 pts. = designated downtown or gateway corridors
 - 1 pt. = storefront outside downtown and gateways
 - 0 pt. = no storefront

As a reminder, at our previous meeting we established scoring thresholds for number of jobs retained as follows:

- 2 pts. = 10 plus jobs
- 1 pt. = 1-10 jobs
- 0 pt. = 0 jobs

