

**COMMUNITY DEVELOPMENT LOAN  
ADVISORY BOARD POLICY  
REVISED July 16, 2009**

**COMMUNITY DEVELOPMENT LOAN FUND**

There is within the Lake County Treasury a Fund known as the Community Development Loan Fund, separate and distinct from the General Fund and other County fund resources. Money in this fund is to be continuously appropriated for economic development within the County of Lake, State of Oregon, in the form of both loans and grants as specifically designated in each case.

The purpose of the Community Development Loan program shall be to provide incentive for continued and expanded Economic Development in Lake County.

Program funds are to leverage other financial sources, including but not limited to private community development loans as well as match for grants on publicly owned, non-profit, community development projects. Solely upon Board of Commissioners' approval, some funds used as match for grants may not be subject to repayment. A maximum of fifty percent of the fund's available cash may be used for grants at any given time.

Due to the nature of the Community Development Loan fund, Lake County desires to be an alternative source of lending after traditional sources have been exhausted.

All private sector loans are subject to re-payment and must be based on employment generation or maintenance as a primary basis for approval.

**A. ADMINISTRATION**

1. The Lake County Board of Commissioners will appoint an Advisory Board of not less than five or more than seven members, including one Commissioner representative. Members will serve a four-year term with the Chairman's position rotated January of each year. Applications for funds will be processed and reviewed by the Advisory Board with its recommendation for approval/denial made to the commissioners. Final decision will be at the discretion of the Lake County Board of Commissioners.
2. Lake County Treasurer's Office will dispense application packets, review for completeness, conduct credit checks and lien searches. Applications will be forwarded to advisory board members for review prior to the next scheduled meeting.
3. Meetings shall be scheduled as needed in the Commissioner's Hearing Room of the Lake County Courthouse.
4. The Commissioners will be responsible for collecting on delinquent loans.

**B. APPLICATION FOR FUNDS**

1. Any entity may file an application to borrow money from the Community Development fund for economic development projects located in Lake County, Oregon. The application shall be filed through the Lake County Treasurer's Office with a nonrefundable \$100 processing fee. An additional \$500 legal fee will be collected upon project approval.

2. Upon receipt of an application for funds, the Advisory Board shall determine if the plans and specifications for the proposed economic development are satisfactory.

**C. APPLICATION APPROVAL**

The Board may approve an economic development project filed under this order if after investigating it finds that:

1. The project is feasible, a reasonable risk and adequate financial resources are available to assure probable success and repayment of funds.
2. The applicant is able to provide sufficient collateral, with principals of corporate entities and limited liability companies providing personal guarantees for the loan amount.
3. Adequate Community Development Funds are available for the proposed project.
4. Grant applications fulfill the publicly owned, non-profit, community development project requirements.

**D. LOAN TERMS & CONTRACT**

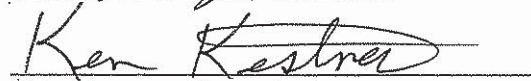
The following terms apply to loans made under this program.

1. Maximum loan amount of \$35,000 may be exceeded under special circumstances.
2. Loan term a maximum of five years or life expectancy of collateral, whichever is less.
3. Interest rate of prime, plus 2 percent as established by the Wall Street Journal, except at the discretion of the Lake County Board of Commissioners under special circumstances.
4. Upon final loan approval the applicant shall enter into a legal contract with Lake County.

Adopted as revised guidelines

Approved this 22<sup>nd</sup> day of July, 2009

  
Bradley J. Winters, Chairman

  
Ken Kestner, Commissioner

NOT PRESENT  
Dan Shoun, Commissioner