Riverside GreenTech & Innovation Revolving Loan Fund

Program Administration Agreement Proposal

Background

- In 2005, the City received a $250,000 Catalyst Funding grant award from Thrive Inland SoCal.
- $135,000 will be allocated to establish the Riverside GreenTech & Innovation Revolving Loan Fund (RLF).
- The RLF provides affordable, flexible capital for clean-tech and innovation-driven businesses.

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RLF Program Overview

- The RLF will provide loans of up to $10,000 for startups and up to $20,000 for existing business at a 6.25% interest rate. Borrowers may be charged a fee of up to 3% to be enrolled in the California State Loan Guarantee Program.
- Terms include up to a 5-year amortized repayment.
- Loans are designed to help companies scale operations, hire locally, and invest in sustainable innovation.
- Funds can be applied toward equipment, technology systems, prototype development, working capital, market expansion, and certification/compliance expenses.
- As loans are repaid, funds are reinvested into future borrowers.

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Loan Eligibility Requirements

- Businesses must be physically located within the corporate limits of the City of Riverside.
- Consideration will also be given to businesses located within the broader Western and Southwestern Riverside County region.
- Business owners must possess a valid ID, city business license and all necessary financial documentation.
- Priority consideration will be given to businesses that meet specific criteria.

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Program Administrator

- Administering the RLF requires specialized lending expertise and compliance capacity.
  - First Community Capital Inc. (FCCI) is a federally certified Community Development Financing Institution (CDFI)
  - Headquartered in Riverside
  - Demonstrated expertise administering publicly funded lending programs and delivering technical assistance to small businesses.

- FCCI is uniquely qualified to provide the desired services.
  - Proven lending and impact track record
  - Deep local ties
  - Built-in wrap around support for borrowers
  - 1:8 target leverage ratio (e.g. every $1 can yield $8)
  - Public fund compliance expertise

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Agreement Overview

- FCCI will be responsible for
  - Marketing
  - Application intake
  - Underwriting
  - Loan documentation
  - Servicing, Collections
  - Technical assistance

- Key Terms
  - 5-years term
  - Flat Operations Fee of $8,000 annually
  - Fee paid for entirely through grant funds
  - All interest income shall remain within the Fund
  - FCCI will be responsible for quarterly reporting

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Next Steps

Program Timeline

1. **September 2026** - Execute Agreement & Establish the Fund
2. **September - October 2026** - Marketing & Outreach
3. **October 2026 - Ongoing** - Application Intake & Underwriting

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Staff Recommendation

We respectfully request that the City Council:

- Approve the Program Administration Agreement with FCCI.
- Authorize the City Manager, or designee, to execute the agreement and any minor non-substantive changes.
- Direct staff to proceed with program launch and implementation in partnership with FCCI.

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