

MicroCity Loan Program

Quick Facts

- Loans up to \$35,000 can be used for:
 - Permanent working capital
 - Real property improvements
 - Machinery & equipment
- 7 year terms
- Non-profits, social service agencies, and religious institutions are ineligible.
- MicroCity funds cannot be used to refinance existing debt.

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The MicroCity Loan Program uses Community Development Block Grant (CDBG) funds to help small businesses grow and create jobs within the City of Cincinnati. The City partners with the Greater Cincinnati Microenterprise Initiative (GCMCI) for administration of the program.

How Do They Work?

The MicroCity Loan Program provides loans of up to \$35,000 to small businesses. The loans are used to encourage expansion or for entrepreneurs starting a business.

What Are the Benefits?

The MicroCity Loan Program offers business financing at a low interest rate. The loans are available to for-profit businesses that demonstrate the ability to repay the loan.

How Is It Used?

To be considered for a MicroCity loan, a business must apply to the Greater Cincinnati Microenterprise Initiative (GCMCI). The business should submit a business plan to GCMCI along with the application. The application will be underwritten and a determination will be made by GCMCI. The loan can be used for:

- working capital
- machinery & equipment
- tenant improvements
- renovations
- acquisition of real estate



Buona Terra Gelato was a new business looking to start-up in Mt. Lookout. However, due to the high cost for moving in and renovating the building to meet building code, they were short on capital.

Potential Advantages

- MicroCity loans often are used to start businesses, which create jobs and income tax revenue for the City
- The interest rate is fixed at prime, which helps keep monthly loan repayments low and reduces uncertainty for the business

Potential Limitations

- Startups, which are typically more risky ventures, are carefully underwritten