

EXECUTIVE SUMMARY

ECONOMIC DEVELOPMENT PROGRAMS – ReSTART CLE

PROGRAMS

Three programs are being developed as part of Mayor Frank G. Jackson's ReStartCLE Initiative for the purposes of supporting our small businesses as they adapt to the challenges posed by the COVID-19 pandemic.

1. *Restoration Working Capital Program (\$5.5 million)* – This program is open to large (more than 30 employees) and small businesses to assist with eligible costs including:
 - Accounts receivable;
 - Rent/mortgage payments;
 - Utilities; and
 - Payroll.

Businesses can receive low interest loans of:

- Up to \$100,000 for large businesses;
- Up to \$25,000 for small businesses; and
- Additional resources are available through our EDA Working Capital Loan Program for companies with additional need.

Eligible businesses must demonstrate impact from the coronavirus on cash flow or revenue. Preference will be given to entities that are unable to access other coronavirus-related capital, able to retain and/or restore pre-coronavirus employment, and that show a substantial negative impact on revenues. Additional criteria and conditions may apply.

2. *Emergency Working Capital Program (\$3.0 million)* – The City is currently implementing this program which is open to small businesses to assist with working capital needs such as:
 - Rent/mortgage payments;
 - Utilities; and
 - Payroll.

Businesses can receive low interest loans up to \$10,000 with deferred repayment until January 2021. Eligible businesses must demonstrate impact from the coronavirus on cash flow or revenue. Preference will be given to entities that are able to retain and/or restore pre-coronavirus employment, and that show a substantial negative impact on revenues. Additional criteria and conditions may apply.

3. *Emergency Working Capital Program – Specially Impacted Businesses (\$2.0 million)* – This program is open to restaurants, personal care businesses and storefront retail establishments to assist with working capital needs such as:
 - Rent/mortgage payments;
 - Utilities;
 - Payroll; and
 - The purchase of personal protective equipment.

Businesses can receive low interest loans up to \$20,000 of which up to 50% (\$10,000) is forgivable for costs associated with the purchase of personal protective equipment.

Eligible businesses must demonstrate:

- The impact from the coronavirus on cash flow or revenue; and
- They must be a locally-owned small business.

Preference will be given to entities that are unable to access other coronavirus-related capital, able to retain and/or restore pre-coronavirus employment, and that show a substantial negative impact on revenues. Each business will also be required to provide a business sustainability plan which outlines how they anticipate changing and re-orienting their business in response to the changes in operations. Additional criteria and conditions may apply.

AWARDS & CURRENT STATUS

Mayor Frank G. Jackson announced the first round of funding for small businesses through his ReStartCLE initiative on Tuesday, May 21. The 113 loans under the Emergency Working Capital Loan Program, totaling \$1,100,321 will provide critical capital to our restaurants, retail, and personal care small businesses as they work to re-open in a safe and socially responsible way. These loans will provide \$10,000 to help these businesses with their working capital needs, with no payments due until 2021.

Staff has already outreached to the affected businesses and will be working with them to quickly contract and implement the new loans under the program.

The City is currently working through the Federally required processes to access an additional \$2,000,000 in funding for future rounds of the Emergency Working Capital Loan Program. As these funds become available, we will provide additional loans to additional applicants under this program. Current and future applicants who qualify for funds but are not being awarded in this round will be eligible for these awards.

Applications for the other economic development programs under the ReStartCLE Initiative will be available on May 27. These programs are the Emergency Working Capital – Impacted Businesses Program and the Restoration Working Capital Program. The Emergency Working Capital – Impacted Businesses program will provide an additional \$20,000 loan, with up to 50% forgivable for investments in personal protective equipment and health and safety measures, to businesses in the restaurants, retail, and personal care sectors. The Restoration Working Capital Program will provide loans of up to \$100,000 for qualifying businesses with additional capital needs as the businesses prepare to re-open, with no payments due until 2021. Awards will be made when Federal funds become available.