



## **CITY OF CORPUS CHRISTI COVID-19 SMALL BUSINESS RECOVERY PROGRAM**

### ***Small Business Recovery Program:***

The City of Corpus Christi is proposing a Small Business Recovery Program for small businesses located in Corpus Christi that are impacted by the COVID-19 pandemic. Through a redirection of \$2,500,000 in the Corpus Christi Business and Job Development Fund for economic development, resources are made available for this program. The City will contract with LiftFund Inc. to administer the program through the newly established Dream Makers Fund. LiftFund Inc. is a San Antonio-based microlender that offers small loans to business owners.

Businesses eligible to apply for this Small Business Recovery Program will be those within the Corpus Christi city limits with annual gross revenues of not more than \$1,500,000 from all business activities at all business locations are eligible to apply. Priority will be given to those businesses most affected by Executive Order No. GA-14 signed by Governor Greg Abbott on March 31, 2020. As loans are paid back, LiftFund Inc. will deposit the repaid funds into the existing Dream Makers Fund, created in accordance with LiftFund's agreement with the Corpus Christi B Corporation. The fund will absorb any loan defaults – the losses being subtracted from this additional grant of \$2,125,000, into the newly created loan fund, reducing the amount of funds available for future lending. Funds deposited into the Dream Makers Fund may only be used to provide loans to small businesses within Corpus Christi.

### ***How It Works:***

- Business owners must apply online at [www.liftfund.com](http://www.liftfund.com) to begin the application process and are subject to credit review and financial assessment
- Loans will range in value up to \$25,000 at 0% interest and will be approved based on factors such as: need, location, planning, eligibility, and availability of funds
- Funds for loans may be used for working capital, covering expenses of debt, and workforce needs
- Once an application is approved, businesses will be asked to submit additional receipts and/or invoices for the items they are utilizing the funds

### ***Loan Terms:***

- Initial 120-day deferral of principal and interest upon closing the loan
- 5% loan origination fee
- Terms are based on size of loan:
  - 24 months for loans up to \$15,000
  - 36 months for loans over \$15,000 up to \$25,000
- It is intended for funding to take place within 10 days of receipt of required documentation and subsequent approval

***Eligibility:***

- Annual gross revenues of not more than \$1,500,000 from all business activities at all business locations in Corpus Christi for the last year from February 28, 2019 to March 1, 2020
- Priority will be given to those businesses most affected by Executive Order No. GA-14 signed by Governor Greg Abbott on March 31, 2020.
- Must be in good standing with creditors for at least six months prior to March 1, 2020 (COVID-19 outbreak)
- Loans are limited to businesses that are located in Corpus Christi and will reopen in same location
- Demonstrates a loss of at least 15% of revenue in the period beginning March 1, 2020 to the time of application
- Business information must be verified through one or more of the following:
  - o Plaid access via LiftFund application,
  - o Paper documentation via bank,
  - o Business will demonstrate/show plan of action including assessment of financials to stabilize with funds as part of the assessment. The assessment and planning will be done as consultations with the applicants. Team members will assist and review with the applicants.
    - This includes a plan of action and budget from the business demonstrating need and ability to proceed with funding.

***Required Documents:***

- Last 90 days of bank or statements connected to business demonstrating expenses and revenue; business formation verification, plan of action document, any pending tax documentation items
- Application completed via liftfund.com website
- Documentation of expenses the loan will be used towards

***Service Fees:***

17.65% of the loans made by nonprofit in an amount not to exceed \$375,000

***Summary of Loan Program:***

	<b>Amount</b>
Loan Fund	\$2,125,000
Service Fees – no more than 17.65% of	<b><u>\$ 375,000</u></b>
Subtotal (maximum amount paid by City)	\$2,500,000
Loan Origination Fee paid by Borrower	<b><u>\$ 106,259</u></b>
<b>TOTAL LOAN FUND PROGRAM- (Paid by City and Borrower)</b>	<b>\$2,606,250</b>