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Governor Northam Announces New Program to Expand Capital Access for Small Businesses

Virginia Small Business Resiliency Fund will provide financial assistance to organizations that serve underserved, COVID-19 impacted businesses

RICHMOND—Governor Ralph Northam today announced the launch of the new Virginia Small Business Resiliency Fund program and more than $9.7 million in grants has been awarded for 12 projects throughout the Commonwealth. The funding will assist organizations to create programs and products that will expand access to capital and provide technical assistance for COVID-19 impacted small businesses.

“Small businesses are the backbone of the Virginia economy and the bedrock of our communities,” said Governor Northam. “These grants will provide needed support to our businesses to face the challenges of the pandemic. In addition to its tremendous work supporting affordable housing, community development, and other priorities, DHCD has led our programs to keep people in their homes and support small businesses during the pandemic. I want to thank DHCD Director Erik Johnson for his superb leadership of the agency, especially during the past 22 months. He has led an outstanding and creative team in finding innovative ways to help people during a challenging time.”

The Department of Housing and Community Development developed the Virginia Small Business Resiliency Fund with the purpose of supporting Virginia-based community development financial institutions (CDFIs) to build their capacity and increase economic activity in distressed communities throughout the Commonwealth. VSBRF goals include serving small businesses adversely impacted by the COVID-19 pandemic, with an emphasis on
those sectors which have been disproportionately impacted or have been economically
disadvantaged. In addition, this program is expected to increase economic activity in distressed
communities around the Commonwealth and to increase the capacity of the CDFI sector to
serve those target markers in Virginia.

The General Assembly allocated $10,000,000 in FY2022 to establish a special, non-reverting
fund that would provide grants to CDFIs, community development enterprises, or other such
similar entities as permitted by law, whose primary purpose is to provide financing to small
businesses in Virginia. CDFIs are private financial institutions certified by the U.S. Department
of Treasury to deliver responsible, affordable financing to historically underbanked and
underserved people, small businesses, and communities.

“Access to capital remains a challenge for small businesses during the COVID-19 pandemic,”
said Secretary of Commerce and Trade Brian Ball. “This funding will help meet the needs of
and provide services to underserved businesses so they can thrive in their communities.”

The following projects will receive 2022 Virginia Small Business Resiliency Grant Awards:

**Enterprise Development Group’s Small Business Resiliency Fund**

$1,500,000

*ECDC Enterprise Development Group / Arlington County and the cities of Alexandria, Fairfax, and Manassas*

Enterprise Development Group (EDG) will provide technical pre- and post-loan assistance
focused on helping underserved communities, immigrant communities, and entrepreneurs of
color who were disproportionately impacted by economic impacts of the COVID-19 pandemic.
EDG will leverage loan capital 2:1 to deploy a total of $4.9 million in microloans and will assist
54 businesses acquire funding.

**Freedom First Federal Credit Union’s Small Business Fund**

$1,500,000

*Freedom First Federal Credit Union (FFFFC) / Counties of Albemarle, Alleghany, Amherst, Appomattox, Augusta, Bath, Bedford, Bland, Botetourt, Buckingham, Craig, Floyd, Franklin, Giles, Highland, Montgomery, Nelson, Pulaski, Roanoke, and Rockbridge, the cities of Buena Vista, Charlottesville, Covington, Lexington, Lynchburg, Radford, Roanoke, Salem, Staunton, and Waynesboro, and the towns of Blacksburg, Christiansburg, Pulaski, and Vinton*

Freedom First Federal Credit Union (FFFFC) will deploy $1.5 million in small and microloans,
establish a loan loss reserve and establish an Individual Development Account program for
business purposes with a focus placed on small loans and women-, minority- and/or immigrant-
owned businesses in distressed communities. This funding is part of a $13 million lending
initiative for over 70 businesses.
Local Initiatives Support Corporation’s Small Business Capital Access Fund
$1,500,000
Local Initiatives Support Corporation (LISC) / Cities of Chesapeake, Colonial Heights, Hampton, Hopewell, Newport News, Norfolk, Petersburg, Portsmouth, Suffolk, and Virginia Beach

LISC Virginia and LISC Hampton Roads will create the Small Business Capital Access Fund to provide 0% interest, no-fee recoverable grants between $10,000-50,000 to small businesses, with priority consideration given to minority-, woman-, veteran- and immigrant-owned small businesses. LISC will expand their respective target markets into the Tri-Cities (Petersburg, Hopewell and Colonial Heights) and the Greater Hampton Roads (Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk and Virginia Beach). Capacity will be improved through the contract of business coaches to provide critical assistance to 60 small businesses.

Virginia Community Capital Economic Equity Fund 2022
$1,500,000
Virginia Community Capital (VCC) / Commonwealth of Virginia

Virginia Community Capital (VCC) will expand its Economic Equity Fund Initiative (EEF), providing low-cost financing for small-, women-, and minority-owned businesses across Virginia that were disproportionately affected by COVID-19. Funding will assist VCC to deploy an additional $1.5 million through EEF to support 15 or more businesses, expand its loan loss reserve and build internal capacity by hiring a technical assistance provider specifically for EEF clients and borrowers.

Latino Economic Development Center’s Small Business Recovery Program in Fairfax County
$955,820
Latino Economic Development Corporation of Washington, DC (LEDC) / Fairfax County

Latino Economic Development Corporation’s (LEDC) project will be funded in different tiers. LEDC will deploy $40,000 of the VSBRF funding to conduct a market study to determine small business financing and target market needs in Fairfax County. Once market validation is complete, LEDC will receive the second tier of funding in the amount of $915,820 to hire lending and technical assistance staff to provide comprehensive, culturally and linguistically competent technical assistance to their target market, expand loan loss reserves and create a $575,000 revolving loan fund to assist 45-60 low- to moderate-income Latino and/or other underserved small businesses in Fairfax County.

Community Business Partnership’s Small Business Resiliency Program
$700,000
Community Business Partnership (CBP) / Counties of Arlington, Fairfax, Frederick, Loudoun, Montgomery, Prince George, Prince William, Stafford, and Washington, cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, towns of Clifton, Dumfries, Haymarket, Herndon, Leesburg, Occoquan, Quantico, Shenandoah, Vienna, and Warrenton
Community Business Partnership (CBP) will expand its target market into greater Northern Virginia and diversify its financial products and offerings through a revolving loan fund. CBP will increase its capacity to support its target markets, including small, women-, immigrant- and minority-owned businesses, specifically at-home business operators, through business counseling and curriculum in various languages spoken in the Northern Virginia service area. Funding of $350,000 will be deployed to increase CBP’s lending capacity and a loan loss reserve to support the lending. CBP will leverage grant dollars to secure future lending capital and technical financial assistance to help more than 150 borrowers.

**Southeast Rural Community Assistance Project’s Virginia Small Business Resiliency Fund**

$589,180  
*Southeast Rural Community Assistance Project Inc. (SERCAP) / Counties of Accomack, Alleghany, Amelia, Amherst, Appomattox, Augusta, Bath, Bedford, Bland, Botetourt, Brunswick, Buchanan, Buckingham, Campbell, Caroline, Carroll, Charles City, Clarke, Craig, Cumberland, Dickenson, Dinwiddie, Essex, Floyd, Fluvanna, Franklin, Giles, Gloucester, Grayson, Greensville, Halifax, Hanover, Henry, Highland, Isle of Wight, King and Queen, Lancaster, Lee, Lunenburg, Madison, Mathews, Mecklenburg, Montgomery, Nelson, Northampton, Northumberland, Nottoway, Orange, Page, Patrick, Pittsylvania, Powhatan, Prince Edward, Prince George, Pulaski, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenandoah, Smyth, Southampton, Surry, Sussex, Tazewell, Washington, Westmoreland, Wise, and Wythe*

Southeast Rural Community Assistance Project Inc. (SERCAP) will increase its available loan capital, providing accessible and affordable financing products to underserved businesses in rural areas of the commonwealth, with an emphasis on those directly impacted by COVID-19. SERCAP will provide $150,000 in technical assistance to microenterprises, deploy $665,000 in microloans to more than 40 businesses, and utilize $100,000 for staff administration of programming.

**Expanding Food and Farm Micro-and-Small-Business Lending in Virginia**

$555,000  
*Foodshed Capital / Commonwealth of Virginia*

Foodshed Capital will expand microlending and small business lending to Virginia farms and food businesses in geographies not yet served and funding activities that have traditionally lacked capital investments, including land procurement, food system infrastructure and food retail development. This project will help revitalize and boost local food systems in the wake of COVID-19 to ensure long-term food security. Funding will support loan loss reserve, capital for small and microloans; and operational support for staff. This project will leverage $750,000 in loans to help 74 food businesses across the Commonwealth.

**Community Investment Collaborative’s Microloan Program**

$550,000  
*Community Investment Collaborative (CIC) / Counties of Orange, Culpeper, Madison, and Rappahannock*
Community Investment Collaborative (CIC) will catalyze its next phase of growth with additional capital for lending in four new counties, deploying $350,000 in loan capital, $50,000 in microgrants and $200,000 in operations support and leverage $1.41 million in existing loan funds to help 104 businesses get access to capital, 25 new businesses launched and 154 existing businesses grow.

**Alternative Lending Products & Technical Assistance for Underinvested Small Businesses in the Greater Richmond Region**

**$150,000**

*Bridging Virginia / Counties of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex, cities of Colonial Heights, Petersburg, and Richmond and the town of Ashland*

Bridging Virginia will conduct a capital access study of the Greater Richmond Region to determine a target market and strategy to achieve Community Development Financial Institution (CDFI) certification status through the U.S. Department of Treasury. Funding will support increased internal capacity with the addition of an executive director to execute identified strategic plan deliverables, increase community knowledge of small business borrowing and how to access capital. An additional $50,000 will be leveraged to create a $100,000 revolving loan fund in connection with technical assistance and counseling to 50 small local businesses.

**Building Capacity for CDFIs to Support Underserved Businesses in Appalachian Virginia**

**$100,000**

*Appalachian Community Capital Corporation (ACC) / Virginia Appalachian Regional Commission Region*

Appalachian Community Capital Corporation (ACC) will build a support network for minority- and immigrant-owned small businesses in Appalachian Virginia by working with the CDFIs that serve small minority-owned businesses in the region. Funding will support the development and implementation of a strategy to increase lending to underserved businesses, provide six CDFIs with resources to provide up to 20 hours of training for targeted businesses, and the tailoring of financial products and services to meet market and sector needs. Once this strategy is implemented, the partnering CDFIs will help 40 minority- and immigrant-owned businesses create or retain 55 jobs.

**People’s Advantage Federal Credit Union’s Small Business Lending Initiative**

**$100,000**

*People’s Advantage Federal Credit Union (PAFCU) / Counties of Amelia, Charles City, Chesterfield, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, King and Queen, King William, Louisa, New Kent, Powhatan, Prince George, and Sussex, the cities of Colonial Heights, Petersburg, and Richmond, and the town of Ashland*

People’s Advantage Federal Credit Union (PAFCU), the only full-service CDFI in Virginia, will expand its offerings to include lending, affordable deposit products, and technical assistance to businesses in the metro-Richmond area. Funding will support the addition of a small business advocate and a loan loss reserve, fund 54 businesses and deploy $1,080,000 into the community.