AWBI COVID-19 Small Business Relief Fund
Community Loan Program
In partnership with LISC Atlanta

Background and Purpose
As COVID-19 continues to negatively impact small businesses throughout the City of Atlanta, businesses are grappling with the loss of sales, fewer customers, and employee layoffs. With no end in sight to the pandemic, what is more alarming is the long-term devastating effects for Black-owned businesses in particular - over 50% of Black-owned businesses have zero to ten days of working capital. Many of the community-based businesses impacted, such as barbershops, beauty salons, restaurants, and other professional service providers, add significant value to their respective communities, most of which are largely ignored by national retailers, by creating opportunities for employment and offering unique products/services.

Furthermore, with Black-owned businesses already significantly lagging behind white-owned businesses in terms of commercial value, access to capital, and access to operational expertise, the economic loss that Black-owned businesses are currently facing will have exponential financial impacts on families and communities throughout the city, long after the current pandemic is over. The goal of the COVID-19 Small Business Relief Fund is to provide financial resources to the most vulnerable businesses and organizations.

As an organization working to close the racial wealth gap in Atlanta, AWBI seeks to reimagine and explore community-based wealth building initiatives, even during such unprecedented times. AWBI is seeking to take this opportunity to search for solutions that will benefit Black-owned businesses and elevate them beyond the threshold of survival. To that end, the COVID-19 Small Business Relief Fund Community Loan Program has been established as a community-based, revolving loan program.

Community Loan Program Overview:
In order to support Black-owned small businesses in Southwest, Southeast, and Northwest Atlanta, the COVID-19 Small Business Relief Fund loan program will be offered to qualifying businesses. Zero percent interest loans in the amount of $10,000 will be awarded to cover employee salaries, rent, supplier expenses, and general operating expenses. The Fund will also support technical assistance for up to three months. After a six month grace period, businesses will commence loan repayment over a thirty (30) month repayment period. The funds being repaid will flow back into a revolving community loan pool, to be used to provide on-going support for small Black-owned businesses.
Impact:
The COVID-19 Small Business Relief Fund Community Loan Program offers a supportive environment for Black business owners to more effectively borrow capital for critical business expenses, helping to safeguard business longevity and sustainability while also supporting community wealth building.

The program is designed with flexible loan terms to ensure the loan is not a burden on borrowers, but can serve as a credit building tool for those businesses who are able to repay the debt. For many Black-owned businesses, the ability to repay a loan under flexible terms and build credit can facilitate access to capital from traditional financial institutions, and significantly increase the potential for sustained stability and growth.

The COVID-19 Small Business Relief Fund Community Loan Program also contributes to enhanced economic stability by creating a revolving pool of capital that Black business owners can easily access to grow their businesses, thus creating jobs and access to technical assistance. As loans are repaid, funds remain within the loan pool to be redistributed to other business owners through additional loans and/or grants. This community-based approach, designed in the spirit of the African sou-sou, keeps money circulating locally to continue to serve its purpose to support community-based Black-owned businesses and wealth building throughout the community overall.

Application Process:
The application will be available online and distributed widely through Atlanta Wealth Building Initiative partner organizations and agencies. Program managers and technical assistance providers will be conducting community outreach, offering information sessions, and distributing COVID-19 Small Business Relief Fund loan application forms to business owners throughout the community. Hard copies will be made available for businesses that cannot access the application online.

Applications must be submitted by **11:59PM on July 23, 2020**.

Loan recipients will be contacted by the week of August 10, 2020 to denote required next steps and payment protocols.

Program Criteria:
- Business must be established before March 16, 2019.
- Business must be in good standing
- Annual revenues of the business or nonprofit not to exceed $1.5 million as evidenced by financial statements or other relevant financial documentation.
- Eligible uses include working capital to support payroll expenses, rent, mortgage payments, utility expenses, technical assistance, or other similar expenses that occur in the ordinary course of business operations.
- Preference will be given to African American business owners who reside or own businesses located in Southeast, Southwest, and Northwest Atlanta or along the Atlanta BeltLine overlay (the area located approx. .5 miles from the Beltline).

**Fund Distribution:**
The Atlanta Wealth Building Initiative COVID-19 Small Business Relief Fund Review Committee will approve loan applications on a rolling basis until funding is exhausted. Loans will be distributed and administered through existing micro and small business lenders. AWBI will contact loan recipients promptly to highlight the required next steps and payment protocols. Borrowers must complete and provide all required documentation and agreements before funds are disbursed.

**Reporting Requirements:**
Businesses will commit to completing two surveys to provide insights on the state of their business and the impact of the loan program.

**Reporting Schedule:**
Borrowers must provide progress reports by November 15, 2020 with supporting business and economic gain or loss documentation. Borrowers must also complete Atlanta Wealth Building Initiative’s business progress tracking survey by December 15, 2020 to assist in the needs assessments required for an appropriate organizational response.