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MAYOR LIGHTFOOT AND BACP ANNOUNCE \$5 MILLION GRANT PROGRAM TO SUPPORT UP TO 1,000 MICROBUSINESSES IN TARGETED NEIGHBORHOODS IMPACTED BY COVID-19 OUTBREAK

New Microbusiness Recovery Grant Program brings much-needed relief to microbusinesses and builds on success of Chicago Small Business Resiliency Fund Loan Program

CHICAGO – Mayor Lori E. Lightfoot and Department of Business Affairs and Consumer Protection (BACP) Commissioner Rosa Escareno today announced a new \$5 million Microbusiness Recovery Grant Program to provide grants to up to 1,000 microbusinesses in low- and moderate-income neighborhoods that have been impacted by the Coronavirus 2019 (COVID-19) outbreak. Made possible with support from foundations, individuals and businesses to The Chicago Community Trust in partnership with The One Chicago Fund, the new grant program will award businesses with grants of \$5,000 which will be distributed via lottery.

Applications are available today and will be open until Monday, May 4. To apply, visit www.chicago.gov/recoverygrant. To ensure much-needed relief is provided to businesses as fast as possible, grants will be all awarded by May 11, just one week after the application closes.

“Our small businesses are fundamentally rooted in, hiring in and building wealth in Chicago’s neighborhoods – which is why we need to ensure our local entrepreneurs most-impacted by the COVID-19 pandemic have the resources and supports they need to survive this unprecedented moment of economic hardship,” said Mayor Lightfoot. “By providing \$5000 in grants into the hands of up to 1,000 businesses, we are building on our commitment to ensure Chicago’s businesses have a road to recovery.”

Designed for businesses that may not be able to obtain funding through federal and other financing programs, the new \$5 million grant program will support businesses operating in low- and moderate- income communities with four or fewer employees by providing funds to be used for working capital. By targeting these grants to



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microbusinesses in these communities, the City is ensuring that much-needed grant dollars are allocated to businesses with less cash on hand that may have difficulty taking on debt through other emergency programs. These microbusinesses represent more than half of all Chicago businesses, are more likely minority or immigrant-owned, and have expressed to the City difficulty accessing federal support through the U.S. Small Business Administration's Paycheck Protection Program.

"Chicago's small businesses are fundamental to the economy and character of our city," said Rosa Escareno, BACP Commissioner. "Many of our businesses have been left out of other financial options because they lack lending relationships or are unable to take on debt. This investment means that microbusinesses in critical areas of the city will have the cash they need to navigate this crisis."

To ensure Chicago's smallest and most-severely impacted businesses have access to the financial aid relief, eligible businesses must have four or fewer employees, less than \$250,000 in annual revenue and experienced a 25 percent decrease in revenue as a result of the COVID-19 outbreak. Additionally, all eligible establishments must be in business for at least one year of the grant disbursement and must be located within a low- or moderate-income area of the city, defined as any Community Area with at least 65 percent low- or moderate-income individuals. A map of the eligible Community Areas can be [found here](#).

"Chicago's business community is facing challenges unlike anything they have faced before," said Emma Mitts, 37th Ward Alderman and Chairman of the Committee on License and Consumer Protection. "I am thrilled that this much-needed investment is coming to businesses in low-income communities that desperately need the relief."

The new grant program is funded by philanthropic donations collected by the Chicago Community Trust in collaboration with the One Chicago Fund and additional relief funding. The program adds to the City's ongoing efforts to support the small businesses throughout Chicago's neighborhoods and is administered by BACP with the support of five community partners: Accion Serving Illinois and Indiana, Chicago Neighborhood Initiatives, the Chicago Urban League, SomerCor and Women's Business Development Center.

"From the onset of the COVID-19 crisis and the related stay-at-home orders, we were aware of the potentially devastating impact to the communities we serve," said Karen Freeman-Wilson, President and CEO of the Chicago Urban League. "We now see that micro-businesses face significant barriers in accessing federal support. The city's grant program gets vital money into the hands of our most vulnerable



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businesses during a time when every dollar counts. We are happy to play a role in this process."

The \$100 million Small Business Resiliency Loan Fund and the \$5 million Microbusiness Recovery Grant Program are intended to serve as a stopgap measure and supplement financial support available on the federal level through the U.S. Small Business Administration. To date, the Chicago Small Business Resiliency Fund has disbursed 232 loans, with more than 300 in underwriting. With the application for loans now closed as of Friday, April 24th, the Resiliency Fund team is concentrating on moving through existing applications as quickly as possible.

"Business of all types have been greatly impacted by the COVID-19 outbreak," said Pat Dowell, 3rd Ward Alderman and Chairman of the Committee on Budget and Government Operations. "Microbusinesses in particular are falling through the cracks and many of them are in danger of not surviving this crisis. I am pleased to see the City stepping up to make a real difference for these businesses."

Applications for small business grants are available today and the application will close on Monday, May 4th. Grant recipients will be chosen via lottery with an equitable distribution across eligible community areas. To learn more about the grant program and to apply, please visit www.chicago.gov/recoverygrant.

"Small businesses are critical to our city, and the Illinois Hispanic Chamber of Commerce is thrilled to see the City stepping up to support our neighborhood businesses," said Jaime di Paulo, President and CEO of Illinois Hispanic Chamber of Commerce. "Through this Grant Program hundreds of business owners that might be locked out of other funding opportunities will see the critical support they need. We are all in this together and efforts like this will help get us through this crisis."

To help small businesses navigate the financial landscape, BACP today announced three additional Small Business Resource Navigators, bringing the total to 13 neighborhood navigators that can provide individualized support to business owners. Navigators are experienced business support organizations with the expertise to assist business owners as they seek local, state and federal financial assistance.

Navigators are specifically trained by the U.S. Small Business Administration to help businesses navigate federal assistance, including the Paycheck Protection Program, which began accepting applications on April 27th for the second round of funding. Details on how to make appointments with Small Business Resource Navigators can be found [here](#).



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Additionally, BACP will be hosting a series of webinars for business owners looking to learn more about the Microbusiness Recovery Grant Program. To learn more and to register for a webinar, please visit chicago.gov/businessworkshops.

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