

CITY VENDOR INITIATIVE

VENDOR IMPACT FUND

Since the onset of the COVID-19 pandemic, Mayor Lori E. Lightfoot has worked to ensure that all businesses have access to emergency capital to assist in the current economic downturn.

Among those who have difficulty accessing capital are minority-owned, women-owned, and other underserved certified vendors and contractors of the City of Chicago.

To combat these long-standing structural inequities and give disadvantaged firms better access to affordable financing, Mayor Lightfoot is launching a new **City of Chicago Vendor Impact Fund.**

The Vendor Impact Fund is seeded through \$10 million from **Community Reinvestment Fund (CRF)** and \$14.3 million from **Goldman Sachs**. The **City of Chicago** will contribute up to \$1.2 million to provide technical assistance and help facilitate the creation of the program.



The \$25 million fund will support both **PPP loans** and **SBA 7(a) eligible loans** and be available for a variety of uses including **project financing as well as working capital**. All loans will be issued by CRF.

TOTAL FUND SIZE
\$25 Million

★ **SBA PPP loans** – Low-interest and 100% forgivable SBA loans for short-term working capital – **Application process must be completed by March 31, 2021**

★ **SBA 7(a) loans** – SBA loans for working capital & longer-term capital investments

	PPP Loans	7(a) Loans	Eligibility Criteria
Term	5yrs	Max 10–25yrs	Preference for MBE or other certified vendor or contractor with the City of Chicago (MBE, WBE, BEPD, VBE)
Interest Rate	1%	SBA Loan Rates ¹	Preference to businesses located in the City, with 50%+ of employees located in the City, particularly in disadvantaged areas
Loan Size	Up to \$2M	Up to \$5M	Active City contract (including a prime vendor or subcontractor)
Forgivable	Yes	No	2+ years of operating history
Collateral	No	Yes	
Best Use	Short-term	Long-term	

¹ subject to negotiation, depending on type of loan and market rates at the time

Loan applications open on **Wednesday, March 10th, 2021**

