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MAYOR LIGHTFOOT ANNOUNCES \$100 MILLION RELIEF PACKAGE FOR CHICAGO'S SMALL BUSINESSES AMID COVID-19 OUTBREAK

Through partnership with Catalyst Fund and private sponsors, City to provide much-needed cash flow relief and extend tax payments for small businesses owners and entrepreneurs

CHICAGO — In a speech delivered to Chicagoans on Thursday evening, Mayor Lori E. Lightfoot announced a new \$100 million economic relief package to support Chicago's small businesses that are experiencing a temporary loss of revenue as a result of the COVID-19 outbreak. Building on the administration's ongoing efforts to help reduce the financial impact of this public health crisis on residents, the City is launching the new Chicago Small Business Resiliency Loan Fund in partnership with the Catalyst Fund, chaired by Treasurer Melissa Conyears-Ervin, and other private sponsors. The new fund will provide more than \$100 million in low-interest loans to severely impacted small businesses over the coming months, targeting historically under-resourced communities with an emphasis on minimizing hardship for those businesses and their employees.

The Mayor's economic relief package is designed to provide much-needed cash flow relief for neighborhood entrepreneurs over the coming weeks and months and includes extended due dates for business-related tax payments until April 30, 2020.

"Chicago's small businesses are the heart of our economy and critical to the life of our neighborhoods," said Mayor Lightfoot. "We know this isn't business as usual and we don't have the luxury to wait for federal support, which is why with these initial investments, we're ensuring local business owners and entrepreneurs have the resources they need to survive."

More than half of Americans work at or own a small business, the majority being local Main Street services — restaurants, bars, coffee shops, barbershops, hair salons, auto repair shops, and dry cleaners. According to a recent study, the average Chicago small business has only 28 days of cash on hand, and in many of Chicago's South and West Side neighborhoods, liquidity is even tighter. In Englewood, for example, half of small business owners only have enough cash to operate for five



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days or less. The creation of an emergency loan fund will provide critical support for businesses, their employees, and the families that depend on the vitality of the local neighborhood economy.

Through innovative public-private partnerships, the new \$100 million emergency fund leverages a \$25 million grant by the City of Chicago, \$50 million in capital by the Chicago Community Catalyst Fund as well as \$10 million from Goldman Sachs' Urban Investment Group, \$1 million from Fifth Third, \$250,000 from Clayco and \$15 million from additional private funding sources. Through additional philanthropic dollars, the City is working toward expanding the reach of this economic relief program.

"Our small businesses deserve not only our unwavering commitment during this time but access to much-needed capital, and the Community Catalyst Fund is a critical part of that effort," said City Treasurer Melissa Conyears-Ervin. "We must do everything possible to make sure people stay safe, afford to stay in their homes and feed their families."

The new emergency fund will lend up to \$50,000 in working capital loans to neighborhood entrepreneurs suffering substantial economic injury to help support rent and payroll expenses. The City will be working with a network of Community Development Financial Institutions (CDFIs), who will be responsible for providing support with application screening, credit underwriting, loan disbursements and servicing.

"We have been engaging daily with Chicago's small business community to share the latest health guidance and understand what supports are needed," said BACP Commissioner Rosa Escareno. "Small businesses are the lifeblood of our community and these measures will provide necessary relief during this unprecedented time. We will continue working closely with our local business owners to identify more ways to help – you are not alone."

To ensure the most-severely impacted businesses have access to the financial aid relief, eligible businesses must have experienced a more than 25% revenue decrease due to the impact from COVID-19. Furthermore, to qualify as a small business, each establishment must have fewer than 50 employees. Beginning on March 31, the City's CDFI partners will begin accepting loan applications from local businesses. In the meantime, business owners and entrepreneurs are encouraged to fill out an [interest form](#) and a City representative of the fund will reach out on next steps.



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“The Chicagoland Chamber of Commerce is encouraged by Mayor Lightfoot’s efforts to provide the much-needed relief, resources and supports our small businesses need during these difficult times,” said Chicagoland Chamber of Commerce President and CEO Jack Lavin. “As the voice of Chicago’s business community, we stand ready to work with the Mayor to build on these efforts over the coming weeks and months. We will get through this, working together.”

Building on yesterday’s announcement that the City is temporarily suspending debt collection, and limiting ticketing and towing practices, today’s new economic relief package will temporarily defer all business fine collections as well as license renewal and late fees for Chicago’s businesses until April 30, 2020. The City will also be temporarily suspending non-public safety related business penalties until April 30.

To further provide relief for businesses over the coming weeks, the City is also extending due dates for tax payments until April 30, 2020 for the following City taxes:

- Bottled Water tax
- Checkout Bag tax
- Amusement tax
- Hotel Accommodation tax
- Restaurant tax
- Parking tax

“This Illinois Hispanic Chamber of Commerce is glad to see the City of Chicago taking this critical step to greatly support our small businesses in this challenging time,” said Illinois Hispanic Chamber of Commerce President and CEO Jaime Di Paulo. “The priority right now is the health and safety of our community, and these efforts will make sure that Chicago’s vibrant and diverse business owners will be able to see the other side.”

In recent days, the City has reduced non-essential services and limited staff across government operations. However, as part of Mayor Lightfoot’s commitment to ensuring all vital services and supports remain in place for residents during this time, the City’s [Coronavirus \(COVID-19\) informational webpage](#) will provide regular updates for residents, nonprofits, and businesses with information about resources they can access in this time of need.

“We feel the weight of the challenges that restaurants in Chicago now face,” said Sam Toia, President & CEO of the Illinois Restaurant Association. “While the City must do everything to safeguard the health and safety of the citizens, these businesses



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depend on our support, which is why I applaud Mayor Lightfoot for carrying the mantle and bringing relief to our business community.”

The City continues to work stakeholders to explore additional funding and capital resources to further support Chicago’s business owners and entrepreneurs throughout this public health crisis. For more information and updates on COVID-19, tune into CDPH’s “The Doctor Is In” Livestream M-F at 11am, for mobile updates, text COVID19 to 78015 or email: coronavirus@chicago.gov.

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