

COVID-19 UPDATE: ILLINOIS EMERGENCY SMALL BUSINESS GRANTS AND LOANS ASSISTANCE

March 26, 2020

Emergency Small Business Grants and Loans Assistance

Under the leadership of Governor JB Pritzker, DCEO is working with partners to launch emergency assistance programs for Illinois small businesses. These **three** initiatives include:

Hospitality Emergency Grant Program

To help hospitality businesses make ends meet in the midst of the COVID-19 pandemic, DCEO is launching the Hospitality Emergency Grant Program with \$14 million drawn from funds originally budgeted for job training, tourism promotion, and other purposes. Grant funds are available to support working capital like payroll and rent, as well as job training, retraining, and technology to support shifts in operations, like increased pick-up and delivery. Bars and restaurants that generated between \$500K and \$1M in revenue in 2019 are eligible for up to \$25,000, and bars and restaurants that generated less than \$500K in revenue in 2019 are eligible for up to \$10,000. Hotels that generated less than \$8M in revenue in 2019 are eligible for up to \$50,000.

Who is eligible?

Bars and restaurants with a valid license to serve food or liquor and who generated revenues of less than \$1 million in 2019. Hotels with a valid license (hotels, motels other lodging establishments) and who generated revenues of less than \$8 million in 2019.

What can grant funds be used for?

For bars and restaurants, based on the businesses needs identified in the grant application, funds can be used to support working capital (rent, payroll, and other accounts payable), job training (such as new practices related to take out, delivery and sanitation) and technology enabling new operations as well as other costs to implement that technology.

For hotels, funds can be used as working capital to support the retention of employees.

How do businesses apply?

Businesses can submit an application online here: [Landing Page](#), [English Application](#), [Spanish Application](#). Applications for awards will be accepted until 5:00pm on April 1st, and winners will be chosen via a lottery, therefore, there is no benefit to submitting an application first as long as a valid, complete application is received by the deadline.

How much money is available?

\$14 million is available under this program.

- Bars and restaurants that generated less than \$500,000 in annual revenue last year will be eligible for up to \$10,000.
- Bars and restaurants that generated between \$500,000 and \$1M in annual revenue last year will be eligible for up to \$25,000.
- Hotels that generated less than \$8 million in annual revenue last year will be eligible for up to \$50,000.

How soon will businesses receive funds?

Accion will notify businesses on April 4th if they have received an award. Accion and DCEO are striving to make funds available to awarded businesses within two days of receiving the necessary bank information from an awarded grantee.

Illinois Small Business Emergency Loan Fund

DCEO and the Illinois Department of Financial and Professional Regulation (IDFPR) are establishing the Illinois Small Business Emergency Loan Fund to offer small businesses low interest loans of up to \$50,000.

Businesses located outside of the City of Chicago with fewer than 50 workers and less than \$3 million in revenue in 2019 will be eligible to apply. Successful applicants will owe nothing for six months and will then begin making fixed payments at a below market interest rate for the remainder of a five-year loan term. **Starting this Friday, March 27th, interested businesses will be able to express interest at a form that will be posted here.**

Who is eligible?

Small businesses located outside of the City of Chicago with fewer than 50 workers and less than \$3 million in revenue in 2019 can apply. Small businesses within the City of Chicago can apply to a similar loan program [here](#).

What can loan funds be used for?

Loans can be used to support working capital.

How do businesses apply?

Businesses will be able to complete an interest form on DCEO's Webpage on Friday, March 27, 2020.

How much money is available?

Businesses can receive up a low interest loan of up to \$50,000 with a 5 year repayment period with no payments due for the first six months.

How soon will businesses receive funds?

Eligible businesses will be invited to submit a full application beginning on April 1. Once submitted, we will strive to make a loan decision within 10 days, and make funds available within two days of receiving bank information from a business.

Downstate Small Business Stabilization Program

To support small businesses in downstate and rural counties across Illinois, DCEO is repurposing \$20 million in CDBG funds to stand up the Downstate Small Business Stabilization Program. This Fund will offer small businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to \$25,000 in working capital. These grants will be offered on a rolling basis.

Who is eligible?

Local governments can apply on behalf of businesses with 50 employees or less. Only units of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale are eligible to apply for Economic Development grant funding. This includes cities, villages, and counties. Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds. A map of eligible areas of the state can be accessed [here](#), see "Staff Contact Information."

INELIGIBLE COMMUNITIES

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State's CDBG funding. In 2019, Illinois had 33 metropolitan cities and eight urban counties named as Entitlements. They are:

Urban Counties

Cook County	Madison County
DuPage County	McHenry County
Kane County	St. Clair County
Lake County	Will County

Metropolitan Cities

Arlington Heights	DeKalb	Mount Prospect	Rantoul
Aurora	Des Plaines	Naperville	Rockford
Berwyn	Elgin	Normal	Rock Island
Bloomington	Evanston	Oak Lawn	Schaumburg

Champaign
Chicago
Cicero
Danville

Hoffman Estates
Joliet
Kankakee
Moline

Oak Park
Palatine
Pekin
Peoria

Skokie
Springfield
Urbana
Waukegan

What can grants be used for?

Grants can be used to support working capital.

How do businesses apply?

Businesses in the eligible areas should work with their local governments to submit applications. Application materials will be posted to the **DCEO website on Friday, March 27, 2020.**

How much money is available?

Grants of up to \$25,000 per business will be available.

How soon will businesses receive funds?

DCEO's goal is to execute grants within 30 days of application receipt, after which funds will be accessible.