

**City of Fort Scott
CDBG Revolving Loan
Emergency Response**

The Kansas Department of Commerce CDBG Program has drastically changed the requirements of our Revolving Loan Fund program. The City is encouraging immediate use of our Revolving Loan Fund to support the working capital needs of businesses in the City of Fort Scott.

The City's CDBG Revolving Loan Fund has up to \$260,000 directed towards small businesses with the highest risk of closing and/or laying off workers as a result of the COVID-19 pandemic. *The purpose of this program is to retain existing jobs.*

Terms:

1. Loans must be used for working capital. This is defined as staff salaries and wages, purchase of inventory, utilities, rent, insurance payments, etc.
2. There is a maximum of up to \$10,000 per business. If funds remain available, multiple loans per business will be considered on a case by case basis.
3. Loans are to stimulate JOB RETENTION, not new hires. State LMI Job Certification forms are required on all retained employees. Make copies of State Employee Certification Form as needed. [See Exhibit A.](#)
4. Business must have at least one full-time equivalent Low/Moderate income employee. Owners are not counted as employees. Part-time employees can add up to this full-time equivalent. [See Exhibit B.](#)
5. A letter from the company/business must be attached attesting that the company's cash flow is impacted due to significant changes in operation due to COVID-19. The business is either shut down or will be shut down due to COVID-19.
6. No collateral necessary; no matching funds necessary.
7. Loan terms are forgivable if a) business complies with required receipts or other proof to verify funding was used appropriately and b) business is open for a period of 12 months. 12 month timeframe does not begin until after Governor Executive Order(s) have been rescinded.
8. Proof of payment by copies of invoices, receipts, and payroll must be supplied. No outstanding debts prior to March 15th, 2020 qualify.
9. Business with outstanding Ad Valorem tax obligations will not qualify.

Instructions and Timing:

1. With completed application, provide job certification form(s) as requested by the city (required by CDBG to verify Low to Moderate Income (LMI) thresholds) and State of Business Letter due to COVID-19.
2. The City staff will review and submit approved applications to the State of Kansas for authorization to release funds (48 to 72 hours review).
3. After State approval, the Business will execute a loan agreement with City and the funds will be released.
4. The City staff requires receipts or other proof (payroll records) to verify funding was used appropriately. The business will have six months (after Governor Executive Order(s) are rescinded) to submit required receipts.

City of Fort Scott

Emergency Response – CDBG Application

Company Information

Legal Name of Business: _____

Business Address: _____ Phone: _____

Date Business Established: _____ Business EIN: _____

Applicant Information

Primary Contact: _____

Home Address: _____ Phone: _____

Email: _____

Voluntary Demographics

Gender

Male Female

Veteran

Yes No

Race/Ethnicity

American Indian or Alaska Native Asian
 Black or African American Hispanic or Latino
 Native Hawaiian or Other Pacific Islander White

Total Working Capital Need: \$ _____

List any and all other funding you are currently seeking, including but not limited to bank loans, SBA loans, public or private loans, grant funding, etc.

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> SBA | <input type="checkbox"/> City | <input type="checkbox"/> Network Kansas/HIRE | <input type="checkbox"/> Chamber of Commerce |
| <input type="checkbox"/> Main Street | <input type="checkbox"/> Community Foundation | <input type="checkbox"/> E-Community | <input type="checkbox"/> MCAIC |
| <input type="checkbox"/> Banker/Financing | <input type="checkbox"/> Other: _____ | | |

Jobs Retained Full Time: _____ Part-Time: _____

Average Wages Full Time Wages: \$ _____ Part-Time Wages: \$ _____

Annual Payroll: \$ _____ 2019 Revenues: \$ _____

Will full or part-time jobs be retained as a result of the funds? Yes No Unknown

Does the business owner have tax liability with the Kansas Dept. of Revenues, or IRS? Yes No Unknown

Please provide a short description of how COVID-19 is negatively impacting the business (e.g. weekly sales average drop for restaurants, occupancy rate drops for hotels, etc.). _____

Describe how the use of the CDBG loan fund enhances the ability of this business to survive. _____

What types of working capital will the funds be used for (e.g. commercial loan payments, commercial lease payments, utilities, payroll, accounts payable, etc.)? _____

Please list any other business resource partners that the business is working with if any (e.g. small business development centers, MCAC, industry or trade services). _____

Signature: _____ Date: _____