



# Local Kansas City Funding for Small Businesses and Nonprofit Organizations

April 6, 2020

In response to the global COVID-19 pandemic, Kansas City area economic development organizations, corporations, foundations and municipalities are offering financial assistance in the form of loans and grants to small businesses and nonprofit organizations in the Kansas City metropolitan area.

## **Kansas Hire Fund**

Kansas created the \$5 million Hospitality Industry Relief Emergency (HIRE) fund, which provided up to \$20,000 loans at zero interest rate for three years for small employers (100 employees or less) in the hospitality industry (restaurants, bars, hotels, motels, conference centers and events centers). However, this fund has been depleted. The Kansas Commerce Department is still taking applications in case more money is moved into it later this year. Applications may be filed at <https://www.kansascommerce.gov/HIREfund>.

## **Kansas City Small Business Relief Loan Fund**

As announced Tuesday, March 31, 2020, the Ewing Marion Kauffman Foundation partnered with AltCap, a Community Development Financial Institution, to establish the Kansas City Small Business Relief Loan Fund, which is targeted to provide relief to local small businesses experiencing extreme economic disruption and financial strain. Other backers include the Greater Kansas City Chamber of Commerce, the Kansas City Area Development Council, the Civic Council of Great Kansas City, Port KC, Neal and Angela Sharma of DEG, and Michael and Leah Hoehn of Automated Systems, Inc.

The \$5 million fund will provide three-year, short-term loans up to \$100,000 with no interest and deferred payments for the first 6-12 months. No minimum credit score is required, and collateral requirements are flexible. Small businesses interested in applying for the KC COVID-19 Small Business Relief Loan Fund must:

- Be located in the Greater Kansas City Metropolitan Area
- Have 20 or fewer employees (full time equivalents), and
- Have \$2.5 million or less in annual revenue



Small businesses in retail, food service, arts and entertainment, hospitality, healthcare not directly involved in the COVID-19 response, fitness, personal service, and transportation will receive priority for the available funds.

Additional information about eligibility and application materials can be found at [www.alt-cap.org/covid-relief-fund](http://www.alt-cap.org/covid-relief-fund), [info@alt-cap.org](mailto:info@alt-cap.org), or by calling (816) 216-1851.

At this time, demand has been high, with 635 applications received requesting more than \$30 million in the first three days, prompting AltCap to close the application process to allow it to "catch up." Interested small businesses are encouraged to check with AltCap periodically to learn when applications will again be accepted.

### **Kansas City Regional COVID-19 Response and Recovery Fund for Nonprofits**

A coalition of charitable, business and government partners has joined together to create the Kansas City Regional COVID-19 Response and Recovery Fund to respond to the needs of the Kansas City region's most vulnerable communities affected by the COVID-19 pandemic. The Greater Kansas City Community Foundation, United Way of Greater Kansas City, LISC Greater Kansas City (Local Initiatives Support Corporation), and the Mid-America Regional Council (MARC) are co-leading the coalition. The \$5 million Fund will make grants to nonprofit organizations based in Johnson, Leavenworth, Miami or Wyandotte Counties in Kansas, or Cass, Clay, Jackson, Platte or Ray Counties in Missouri, to help them both maintain existing operations and services and to increase their capacity to serve those impacted by COVID-19.

A community advisory board made up of foundation and civic leaders and community representatives will oversee the Fund, which will provide grants to nonprofit agencies to support their operations and services with a focus on critical social needs, addressing the economic impacts on individuals and their families resulting from job interruptions and reductions in income and benefits, including, but not limited to:

- Housing support (rent, mortgage, utilities)
- Food insecurity
- Access to health care
- Other critical human services

Interested nonprofits can apply for these grants at <https://www.growyourgiving.org/covid>.

### **Kansas City Small Business Emergency Relief Loan Fund**

Last week the Kansas City, Missouri, City Council appropriated \$500,000 to create the Kansas City Small Business Emergency Relief Fund, which will provide loans to small businesses struggling during the



COVID-19 pandemic. Loans up to \$25,000 will be available to businesses with 20 employees or fewer, or businesses that made \$750,000 or less last year. The loans will be interest-free for six months. Applications are available from KC Source Link at (816) 235-6500, by calling 311 and asking for the loan assistance, or by visiting AltCap, the Community Development Financial Institution administering distribution of the funds, at <https://alt-cap.org>.

### **Small Business Financial Help**

Kansas City small businesses experiencing difficulties due to the loss of income, supply chain disruption, or other issues can seek assistance from AltCap, a Community Development Financial Institution. AltCap has modified its Fast Track Loan program, which offers up to \$20,000 in interest-only financing. Small businesses can reach AltCap about this assistance program at <https://alt-cap.org> or (816) 216-1851.

Further, through the Federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), economic relief will be provided to individuals and small businesses in the Kansas City metropolitan area. See Lathrop GPM Legal Alert at: COVID - 19 Federal Loan Assistance Programs.

For more information regarding local stimulus options for small business, please contact Dale Werts, Harry Wigner or your regular Lathrop GPM contact.