

**Small Business Grants  
Provided by the City of Cambridge's  
Mayor's Disaster Relief Fund  
&  
Small Business Zero Interest Loans  
Provided by the Cambridge Redevelopment Authority**

The temporary emergency public health orders that have been issued by City of Cambridge and other such orders that have been issued by the Commonwealth of Massachusetts to combat the COVID-19 Pandemic have had an immediate negative economic impact on Cambridge's small business community. This has presented an unprecedented urgent need to which the Cambridge community must respond with swift, decisive, and immediate investment directly in our most vulnerable small businesses. The Cambridge community must do everything possible to keep small businesses operational, eventually allowing them to reopen.

The use of the City of Cambridge's Mayor's Disaster Relief Fund for small businesses located in Cambridge will result in the award of grants of up to \$10,000, which will not have to be repaid. The Mayor's Disaster Relief Fund ("MDRF") will prioritize businesses that have been more severely affected by the impact of the COVID-19 Pandemic. Regardless of the application status, due to the volume of applications received, there is no guarantee that an applicant will receive a grant. The Mayor's Disaster Relief Fund reserves the right to deny any application for a grant if it determines in its judgment that the application does not meet the goals of the Mayor's Disaster Relief Fund.

In addition, the Cambridge Redevelopment Authority ("CRA") has announced that it has developed a zero (0%) interest loan program (the "CRA Loan Program") which is being administered in cooperation with Cambridge Savings Bank and will provide loans of up to \$15,000 to small businesses that have qualified to participate in the Mayor's Disaster Relief Fund. The CRA Loan Program will provide interest free loans that will be repaid in five years with nothing owed for the first year and semi-annual installments paid over the remaining four years.

The maximum grant/loan amount for each business is \$25,000 (up to a \$10,000 Grant and up to a \$15,000 Loan) or three months of business expenses, whichever is lower. Allowable business expenses may include the average rent, salaries, utilities and cost of goods, not covered by other programs.

If you are eligible for funding from the City's Small Business COVID-19 Relief Grant program, or the City's Small Business COVID-19 Recovery Grant program administered by the City you are not eligible for a grant from the MDRF. You are eligible for the CRA Loan Program if you meet the applicable criteria.

## **I. MAYOR'S DISASTER RELIEF FUND & CRA LOAN PROGRAM**

### **Eligibility Exclusions**

- 1) A chain business that is not locally franchised.
- 2) Businesses and owners/operators whose businesses have delinquent invoices due to the City of Cambridge other than FY2020.
- 3) Restaurants that have an outstanding health code violation issued against them by the City of Cambridge.
- 4) If you are applying for a loan, please note that all cannabis businesses are deemed ineligible by federal law.

### **Funding Priorities & Policies (20 Points for Each Item Achieved)**

- 1) Employers who make or have (and retain) employees who make less than \$75,000.
- 2) The grant and/or loan will promote small business activity owned by one of the following - Cambridge resident, Minority (MBE), Women (WBE), Service-Disabled Veteran (SDVOBE), Veteran (VBE), Lesbian, Gay Bisexual, Transgender (LGBTQ) and Disabled-Owned Business Enterprise (DOBE) (status in these categories must be documented with evidence of proper certification).
- 3) Likelihood that the grant and/or loan will allow the small business to navigate the emergency shutdown and eventually return to full operations.

### **Business Operation Considerations (5 Points for Each Item Achieved)**

- 1) Small businesses that had 2019 gross operating revenues of less than \$1,000,000.
- 2) Food service providers that are or will be open for one meal service a day for at least five days a week.
- 3) Small businesses that have been in operation for at least three years.
- 4) Small businesses that have brick and mortar retail, restaurant or personal service operations.
- 5) Small businesses that have applied for grants or SBA funding if available.
- 6) Small businesses that employ at least one Cambridge resident.
- 7) Small businesses enrolled in local business organizations.
- 8) Small businesses employing disabled veterans.

### **Review Process**

- 1) Applicants are ranked on the basis of the points awarded according to the scoring process for consideration with a minimum of 60 points required.

- 2) Initially, the application period will be open for two weeks and applications will be reviewed at the close of the two-week period. If funding remains after the initial application period, additional applications will be reviewed on a rolling basis as they are received.
- 3) The maximum a small business can receive from the Mayor's Disaster Relief Fund is a \$10,000 grant.
- 4) The CRA Loan Program will remain open until the funds are exhausted. The maximum a small business can receive as part of the CRA Loan Program is a \$15,000 loan.
- 5) Applicants who previously received a grant from the Cambridge Redevelopment Authority in 2020 would only be eligible for a \$4,000 grant from the Mayor's Disaster Relief Fund.

## II. CRA LOAN DETAILS

The CRA Loan Program will remain open until the funds are exhausted. The maximum loan a small business can receive as part of the CRA Loan Program is a \$15,000 loan. Cambridge Savings Bank will service the loan and selected applicants will be asked to execute Cambridge Savings Bank loan documents that will provide for the following repayment schedule (assuming a \$15,000 loan).

- A) Year One ending on June 30, 2021 - No Payments
- B) Year Two ending June 30, 2022 - Payments of \$1,875.00 due semiannually - 9/30 & 3/31
- C) Year Three ending June 30, 2023 - Payments of \$1,875.00 due semiannually - 9/30 & 3/31
- D) Year Four ending June 30, 2024 - Payments of \$1,875.00 due semiannually - 9/30 & 3/31
- E) Year Five ending June 30, 2025 - Payments of \$1,875.00 due semiannually - 9/30 & 3/31

As an incentive to encourage that payments are made to repay the loan on a timely basis the program features a forgiveness program. If the first seven loan payments are made timely in years 2, 3, 4 & 5 the last loan payment due on March 31, 2025 will be waived.

***As an example - The borrower of a \$15,000 loan would be required to make seven timely payments of \$1,875 for a total of \$13,125 beginning in year two with the remainder of the loan waived, thereby giving a 12.5% discount on the original loan. Any late or delinquent payments would require the borrower to pay back the full amount of the loan.***