



Frequently Asked Questions

About the Program:

What is the Capital Access Program?

The city of Norfolk is establishing a Capital Access Program (CAP) with the goal of filling a financing gap in the market place for entrepreneurs to either start or expand their business. CAP provides alternative and affordable financing made available through the City of Norfolk for new, existing, and expanding businesses. These funds are reserved for businesses that lack access to traditional financing sources and/or require “gap financing.”

Why is the Capital Access Program needed in Norfolk?

Entrepreneurs looking to start or expand their business in Norfolk face major hurdles when filling financial gaps that arise when funding business projects. CAP will provide funding for businesses facing financing gaps by offering competitive grants and loans to Norfolk’s business owners. CAP will use “underwriting” standards and terms that are flexible and can be tailored to the needs of the business.

Who can apply to the Capital Access Program?

- For-profit Sole Proprietorships, General Partnerships, Limited Partnerships (LP), Limited Liability Partnerships (LLP), Corporations (Inc., Corp.), Limited Liability Companies (LLC).
- First time businesses or existing businesses looking to expand to a new location.
- Home-based businesses looking to locate in a commercial property are eligible to apply.
- Independently owned businesses that participate in retailers’ cooperatives are eligible to apply; however, franchises are not eligible.
- Businesses looking to relocate may be eligible to apply if the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in their previous location and provide proof through documentation.

Who is ineligible for the Capital Access Program?

- Franchises.
- Not-for-profit and Faith-based organizations.
- Political Organizations. and
- Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities, blood or plasma donor centers, massage parlors, pawn shops, or tanning salons.

What are the five Capital Access Program Products?

1. Micro Grant Program:

- a. Funding Source: CDBG
- b. Grant Amount: \$1,500- \$10,000
- c. Years in Business: 0-2 years
- d. Must have no more than 5 employees
- e. Must have completed approved Technical Assistance Program
- f. Business Owners must be Low to Moderate income at the time of application or service a low to moderate income area
- g. Allowable Purchases include but are not limited to: marketing and advertising; inventory; materials; equipment; operating licenses; permitting and fees; etc.

2. Economic Development Authority Small Business Grant Program:

- a. Funding Source: Economic Development Authority of the City of Norfolk
- b. Amount: \$1,500- \$10,000
- c. Years in Business: 0-4 years
- d. Must have no more than 25 employees
- e. Allowable Purchases include but are not limited to: marketing and advertising; inventory; materials; equipment; operating licenses; permitting and fees; real estate-based transactions; etc.

3. Façade Grant Program:

- a. Funding Source: CDBG
- b. Grant Amount: 50% of the project up to a maximum grant of \$10,000.
- c. Years in Business: No minimum
- d. Business or Project must be in a Low to moderate income area.
- e. Allowable improvements include but are not limited to: repair, replacement or installation of new awnings, signage, windows, doors, and/or permanent landscaping, and other approved improvements.
- f. Ineligible Businesses include but are not limited to: Non – Profits, national franchises, check cashiers, pay-day lenders, home based businesses, Religious Organizations, Political Organizations, structures not facing the public right-of-way and Not for use of general government conduct

4. Reimbursable Grant Program:

- a. Funding Source: CDBG
- b. Grant Amount: \$35,000
- c. Years in Business: Preferably 2 or more with documented sales
- d. Allowable Purchases include but are not limited to: marketing and advertising; inventory; materials; equipment; training; payroll
- e. Business preferably will have current employees

5. Norfolk Revolving Loan Fund:

- a. Funding Source: Federal EDA
- b. Administer: VCC
- c. Amount: \$10,000 - \$50,000
- d. Years in Business: 3 to 6 years
- e. Must have no more than 25 employees
- f. Allowable Purchases: Include but are not limited to: inventory; materials; equipment; working capital; debt refinancing; real estate; etc.

Who manages the Capital Access Program?

City of Norfolk's Department of Economic Development:

**Department of Development
999 Waterside Dr. Suite 2430
Norfolk, VA 23510**

Is my business eligible for Capital Access Program funding?

Businesses must meet the minimum conditions to be considered:

- In most cases, businesses must demonstrate a benefit to a low-to-moderate income community.
- Business and owner must be in good standing with the City of Norfolk, State of Virginia and Internal Revenue Service.
- No outstanding violations or citations with the City of Norfolk within one year of application.
- Business must be formed or incorporated before application is submitted UNLESS funds awarded are used for licensing or permitting.

Businesses being considered for awards must agree to the following:

- Full participation in relevant technical assistance programs when applicable.
- Willingness to coordinate with financing professionals to assist in the underwriting and financing of the project. Personal financial statements, tax returns, and other financial documents may be requested for consideration of technical assistance awards and are required for consideration for grants.

Who is not eligible to apply?

- The following individuals are not eligible to apply – business owners who are: (1) employees, elected officials or appointed officials or officers of the City of Norfolk, (2) employees or board members of the City of Norfolk Economic Development Authority.

Application:

How can I apply for Capital Access Programs?

Interested business owners can apply online at

<https://www.norfolkdevelopment.com/business-resources/access-to-capital>

To obtain and submit a printed application, visit the offices of the:

Department of Development
999 Waterside Dr. Suite 2430
Norfolk, VA 23510

When are the application deadlines?

- **Round 1: April 1st -30th, 2019**
- **Round 2: July 1st -31st, 2019**
- **Round 3: October 1st -31st, 2019**
- **Round 4: January 1st -31st, 2019**

What documents are needed to apply for Capital Access Programs?

- Signed/ Completed Application.
- Personal Financial Statements (Bank Filed PFS within the last 6 months applicable. If not, complete PFS within application)
- Two years personal federal tax returns
- Two years of business returns (if applicable)
- Organizational Business Documents
- Norfolk Business License
- Partnership Agreement- (For Partnerships Only)
- Articles of Organization for LLC along with Operating Agreement (if there are more than one member)
- Articles of Incorporation for Corporations along with by-laws
- Business Plan/ Growth Plan (existing businesses)
- Executed letter of intent or Lease (if applicable)
- Current Photos and/or Landlord Approval Letter (If applicable)

Selection:

How are applications scored?

- **Each criterion will be ranked based on the following:**
 - Vision and Plan
 - Experience and Capacity
 - Community Impact
 - Innovative and Scalability
 - Financial Status and Leverage

How long does the selection process take?

- Winners are selected every 90 days (the second month of every round).

Will I be notified when I submit my application?

- If applying online, applications will receive an email confirming receipt.
- If applying by mail or in person, applicants will receive a confirmation email once the application has been reviewed and processed.
- Email confirmation completion or lack thereof will be sent back between 24-48 hours.

Can I apply for more than one Capital Access Product at once?

No. Business owners may apply for one product per round.

Processing:

How does financial assistance through the Capital Access Program Work?

- If awarded for the Microgrant or the Economic Development Small Business Grant, disbursement amount and frequency will be determined on a case by case basis.
- If awarded for the Reimbursable grant or the Façade grant, reimbursements will be processed upon submission of necessary documents. Reimbursements can take anywhere from 30-60 days.
- If awarded for the Revolving Loan Fund, loan proceeds can be disbursed upon execution of contractual documents.

Do grantees receive the funding up front?

Grants are given on a reimbursement basis and accessed by grantees on a “draw-down” basis. More details will be provided when grants are awarded.

Low to Moderate Definition:

How do you define a Low to Moderate Income Area?

The Department of Housing and Urban Development's (HUD) special tabulations of Census data is used to determine **areas** where at least 51% of households have **incomes** at or below 80% of the **area median income** (AMI). Please see the LMI Area Instructions on the website.

How do you define a Low to Moderate Income individual?

An individual is LMI based on their annualized household income. Overall, to be classified as LMI, an individual or family's household income must be 80% of the median income for the county or area where they reside.

For Example: If you are a single person household in the city of Norfolk and you make **\$42,000.00** or below annually, you are considered to be low-to-moderate income individual.

See Chart Below:

Income Limits Summary Effective **April 1, 2018**

FY 2018 Income Limit Area	Median Income	FY 2018 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
City of Norfolk	\$75,000	Extremely Low (30%)* Income Limits	\$15,750	\$18,000	\$20,780	\$25,100	\$29,420	\$33,740	\$38,060	\$42,380
		Very Low (50%) Income Limits	\$26,250	\$30,000	\$33,750	\$37,500	\$40,500	\$43,500	\$46,500	\$49,500
		Low (80%) Income Limits	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200

