



Frequently Asked Questions

About the Program:

What is the Capital Access Program?

The city of Norfolk established the 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
- Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities, blood or plasma donor centers, massage parlors, pawn shops, or tanning salons.
- Business owners who are employees of the City of Norfolk, elected or appointed officials or officers of the City of Norfolk, employees or board members of the City of Norfolk Economic Development Authority are not eligible to apply to the Program.

What are the five Capital Access Program Products?

1. **Micro Grant:**

- a. Funding Source: CDBG
- b. Grant Amount: \$1,500- \$10,000
- c. Years in Business: Approximately 0-2 years
- d. Must have no more than 5 employees
- e. Must have completed approved Technical Assistance Program, when applicable
- f. Business Owners must be Low to Moderate income at the time of application
- g. Allowable Purchases include but are not limited to: marketing and advertising, inventory, materials, equipment, operating licenses, permitting and fees, etc.
- h. Ineligible Purchases: Real estate-based transactions to include interior and exterior build out or renovations. Payroll and/or salaries

2. **Economic Development Authority Small Business Grant:**

- 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.
- f. Ineligible Purchases: Payroll and/or salaries

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 and business must serve a low to moderate income area
- e. Improvements must be visible to the public right-of-way

- f. 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

4. Reimbursable Grant Program:

- a. Funding Source: CDBG
- b. Grant Amount: \$35,000
- c. Years in Business: More than 2 years with documented sales and hiring experience
- d. Business must hire 1 full time LMI Norfolk Resident
- e. Allowable Purchases include but are not limited to: marketing and advertising, inventory, materials, utilities, equipment, training, professional fees, supplies, etc.
- f. Business preferably will have current employees
- g. Ineligible Purchases: Real estate-based transactions to include interior and exterior build out or renovations. Payroll and/or salaries

5. Norfolk Revolving Loan Fund:

- a. Funding Source: Federal EDA
- b. Administer: Virginia Community Capital
- c. Amount: \$10,000 - \$50,000
- d. Years in Business: Preferably 3 or more years of business operation
- e. Must have no more than 250 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
capitalaccessprograminfo@norfolk.gov
(757) 664-4338

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?

- Ineligible Businesses include but are not limited to: Non – Profits, national franchises, check cashiers, pay-day lenders, home based businesses, Religious Organizations, Political Organizations. For the Façade grant program, structures not facing the public right-of-way will not be considered. No CAP funding can be used for general government conduct.
- 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?

During the application rounds listed below, interested business owners can apply online at:
<https://norfolkdevelopment.com/resources/capital-access-program/#>

When are the application open and close dates?

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

What documents are needed to apply for Capital Access Programs?

- Completed Online Application
- Personal Financial Statement of the primary applicant (Bank Filed PFS within the last 6 months is applicable. If not, complete PFS within application). Certain CAP products may require additional ownership information/documentation.
- Business Debt Scheduled
- Two years personal federal tax returns of primary applicant

- Two years of business returns (if applicable)
- Organizational Business Documents
 - Norfolk Business License (if applicable)
 - Partnership Agreement- (For Partnerships Only)
 - Articles of Organization for LLC along with Operating Agreement (if there is more than one member)
 - Articles of Incorporation for Corporations along with by-laws (if applicable)
- Business Plan- 6 pages only to include:
 - 1. Executive summary**
 - 2. Company description**
 - 3. Description of organizational management**
 - 4. Products and services**
 - 5. Market analysis & competitive analysis**
 - 6. Marketing and sales strategies**
- 3 Years of Financial Projections to include:
 - **Profit and Loss Projections (P&L) - Year 1 (Month to Month)**
 - **P&L Year 2 (Annual)**
 - **P&L Year 3 (Annual)**
 - **Balance Sheet - (Year 1 - 3)**
- Executed letter of intent or Lease (if applicable)
- Current Photos and/or Landlord Approval Letter (If applicable)
- Other related documents (if needed)

Selection:

How are applications scored?

- **Each criterion will be ranked based on the following: (Please see “How to be Selected” link on website)**
 - 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 at the end of the second month of every quarterly application round.

Will I be notified when I submit my application?

- When applying online, applicants 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.

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

No. Business owners may only apply for one product per round. If multiple applications are submitted, CAP administration will pick the best application that fits your business needs.

Processing:

When will contracts/agreements be prepared for execution?

- Contracts will be prepared for execution towards the end of the third month of the quarterly rounds
- Contract Length:
 - Microgrant, Reimbursable Grant and Façade Grant = 1 year
 - EDA Small Business Grant = 6 months
 - Revolving Loan = Based on needs of business

Disbursement:

How does financial assistance through the Capital Access Program Work?

- CAP disbursements/proceeds will only be processed AFTER contracts are executed.
- 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. Disbursements can take up to 30-60 days.
- 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?

For the Microgrant or the EDA Small business grant, proceeds can be given up front but on a “draw-down” basis. Reimbursement for business expenses can be processed if the expenses occurred during the contract term. More details will be provided when grants are awarded.

How many disbursement requests can be processed at a time?

Only one (1) disbursement request can be processed at a time.

What documents are needed to process a disbursement?

The following documents are normally needed to process a disbursement:

- Invoices to support disbursement needs
- Paid receipt (if applicable)
- Proof of Payment (i.e. bank statement, check copy, ACH Wire transaction)

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 **\$44,450.00** or below annually, you are considered to be low-to-moderate income individual.

See Chart Below:

FY 2019 INCOME LIMITS DOCUMENTATION SYSTEM

FY 2019 Income Limits Summary

FY 2019 Income Limit Area	Median Family Income	FY 2019 Income Limit Category	Persons in Family							
			1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
City of Norfolk	\$79,300	Very Low (50%) Income Limits (\$)	27,800	31,750	35,700	39,650	42,850	46,000	49,200	52,350
		Extremely Low Income Limits (\$)	16,700	19,050	21,450	25,750	30,170	34,590	39,010	43,430
		Low (80%) Income Limits (\$)	44,450	50,800	57,150	63,450	68,550	73,650	78,700	83,800



1. Verify the number of individuals within your household.



2. The total income of all individuals within your household must fall below the numbers in yellow.