



CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
OFFICE (540) 432-7701 • FAX (540) 432-7778

TO: Eric Campbell, City Manager
FROM: G. Chris Brown
DATE: June 23, 2020
RE: Use of CARES Act funds to forgive Disaster Impact Loans

Summary: Use of CARES Act funds to forgive Disaster Impact Loans

Background: On March 19, 2020, the City's Department of Economic Development launched a Disaster Impact Loan Program to assist local businesses impacted by the COVID-19 pandemic. The Program loaned up to \$5,000 to 22 small businesses in the City. The loans were made without interest and repayment is scheduled to begin in July. Subsequently, the City received funding through the CARES Act Relief Fund, which may be used for economic support of businesses adversely affected by the Pandemic. The City may use a portion of the CARES Act funding to forgive the loans issued through the Disaster Loan Program, thus eliminating burdensome debt for the businesses which received the loans.

Key Issues: Use of CARES Act funds to forgive Disaster Impact Loans made to small businesses in the City affected by the COVID-19 Pandemic.

Environmental Impact: None

Fiscal Impact: None. The City will be able to repay itself for the loans using CARES Act funds.

Prior Actions:

Alternatives: (a) Approve Resolution authorizing the City Manger to forgive balances owed on Disaster Impact Loans made by the City's Department of Economic Development
(b); or decline to approve resolution.
(c)

Community Engagement:

Recommendation: Staff recommends Council approve the proposed Resolution.



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Attachments:

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

