

## Exhibit A

### Nashville Small Business Recovery Fund (NSBRF)

NSBRF: \$20 million

#### Purpose

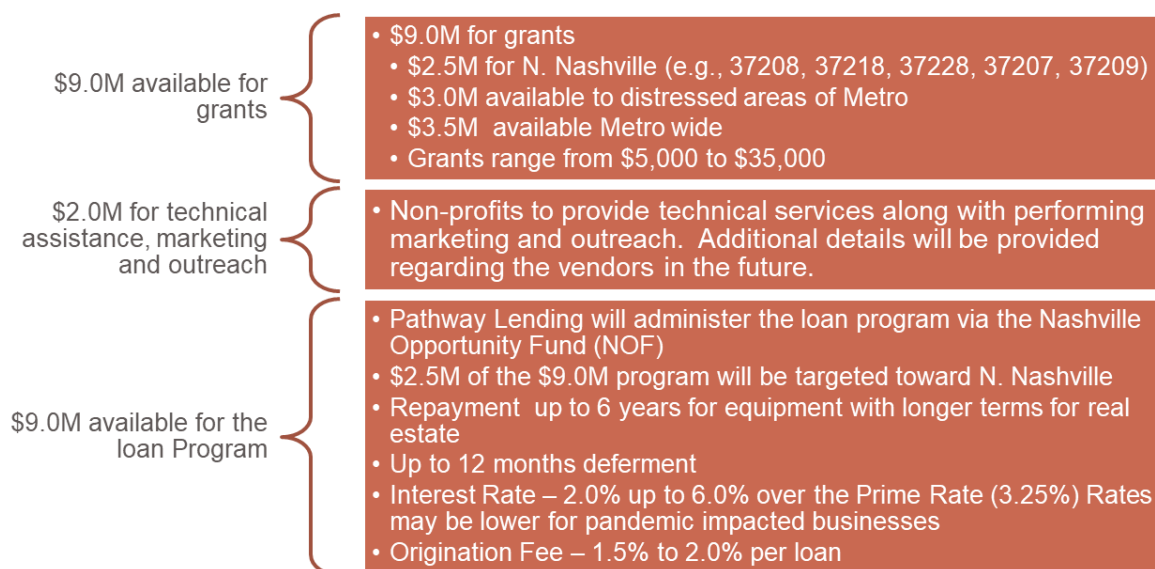
The Government of Metropolitan Nashville and Davidson County, Tennessee seeks to establish and provide for the administration of the Nashville Small Business Recovery Program to support local economic development by maintain small business operations and creating/retaining employment in Metropolitan Nashville. The purpose of the fund is to ensure that Nashville’s small businesses have the adequate support to recover from the impacts of the 2020 COVID-19 global pandemic.

The fund will be administered by the Mayor’s Office through Pathway Lending. Pathway will also engage with a North Nashville Community Development Financial Institution (CDFI). Awards for the program will adhere to the guidelines as defined by the federal, state, and local laws or regulations.

#### Business Eligibility:

- Small business owners including micro-businesses and small businesses up to 50 full-time equivalents
- Other requirements include:
  - Businesses must have physical location and postal address in Nashville/Davidson County
  - Business must provide proof COVID-19 has impacted operations
  - Applicants must do business in Nashville/Davidson County and provide a Nashville/Davidson County address
  - The business must demonstrate 12 months of operations as of 9/30/20 in Nashville/Davidson County to be eligible
  - Gross annual revenues not more than \$1,000,000
  - Valid State and/or County registration as a business is required prior to award
  - Must follow all federal, state, and local regulations
  - Multiple locations in Davidson County will be limited to one combined application
  - Businesses must be currently open and active
  - Business must be independently owned, non-franchise, and non-chain business

#### Program Details



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- Grant awards will be calculated based on a business's annual gross receipts for (see below for more information). Grant amounts and calculations are subject to change by Metro Nashville:
- Annual gross receipts: \$10,000 - \$50,000: Award is up to \$5,000 / business
- Annual gross receipts: \$50,001 – \$100,000: Award is up to \$10,000 / business
- Annual gross receipts: \$100,001 – \$1,000,000: Award will be capped at 10% of gross receipts (maximum grant is \$35,000)
- Estimated job creation/retention information will be required for grants and loans

#### Marketing/Outreach and Technical Assistance

Multiple virtual information sessions will be held (no less than 4 info sessions). Information sessions will be held in English and Spanish. An informational PowerPoint will be uploaded to the City's website along with a recorded informational session in English and Spanish. Includes partnering with non-profit organizations to provide technical assistance, marketing, and outreach to the small businesses in Nashville and Davidson County.

#### Grant Funding Process

All applications will be electronic and submitted via a portal. Mailed or emailed applications will not be accepted. Staff and the Pathway Lending will assist if the applicant communicates with staff/vendor that they do not have a computer or internet access. Information sessions will begin March 1, 2022. The application will be available in English and Spanish. The application period will open on April 1, 2022 and close on April 30, 2022 at 11:59pm, unless otherwise extended.

#### Loan Funding Process

Pathway Lending will follow the normal processes associated with the Nashville Opportunity Fund (NOF) which may include an electronic and/or paper submission.

#### Program Administration Costs to the 3<sup>rd</sup> Party Vendor (Pathway Lending)

Estimated program administration costs	Costs
Costs to the Grant Program	\$810,000 (9.0% of \$9,000,000)
Administration Costs for the Loan Program (1)	\$675,000 (7.5% of \$9,000,000)

- (1) There will be additional administration costs for the loan program which will include origination fees for each loan along with interest income over the Pathway Lending's cost of funds.

#### Eligible Uses

- The grants must be used for COVID-19 related losses or expenses incurred between March 1, 2020 and March 31, 2022. These include:
- Payroll costs
- Commercial rent or mortgage payments for Metro Nashville based property (but not any rent or mortgage prepayments)
- Insurance costs
- Utility costs
- Costs of personal protection equipment (PPE) necessary to protect worker and consumer health and safety
- Heating, ventilation, and air conditioning (HVAC) costs
- Other machinery or equipment costs related to operating a business
- Supplies and materials necessary for compliance with COVID-19 health and safety protocols

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- Other documented COVID-19 costs as approved by Metro Nashville
- Only expenses not previously reimbursed by other federal, state, or local recovery programs will be eligible under this program.

#### **Ineligible Businesses**

- All Non-Profits, Churches, and other religious institutions
- Businesses primarily engaged in political or lobbying activities
- Landlords and passive real estate businesses
- Illegal businesses or enterprises and adult entertainment businesses
- Other industry or business types as specified by Metro Nashville
- Grants awarded under the program may not be used to re-pay or pay down any portion of a loan obtained through a federal COVID-19 relief package for business assistance or any other TN business assistance programs.

#### **Documents that may be needed to apply to the programs:**

- W-9
- Documents supporting number of employees and payroll (like an IRS 941 form)
- Registration with Secretary of State
- Registered with Davidson County
- Financial statements over the past 3yrs.
- Tax statements from previous year including sales and use tax
- Proof of business location and operations
- Schedule of ownership
- Proof of business organization

#### **Preliminary monthly reporting requirements to Metro for the program**

- Zip code and council district for applicant and awardee
- Demographic information on the business owner
- Annual business revenue data
- Type of award- loan or grant, award status, size of each award, avg. award size
- Awards in North Nashville/Bordeaux, distressed areas and non-distressed areas

**Distressed Areas of Nashville/Davidson County**

**Criteria:**

1. Low to Moderate Income (LMI) Census Tracts in Davidson County
2. Opportunity Zones in Davidson County
3. NMTC eligible Qualified Census tracts in Davidson County
4. Census tracts with a poverty rate greater than 30%
5. Census tracts where the median family income is at or less than 60% of the Metro area median family income
6. Census tracts where the unemployment rate is greater than 1.5x the national average
7. Census tracts where the population change from 2020 to 2010 is less than 6%

