



OneEastside  
**SPARK**

# Small Business Flex Fund

## July 22, 2021 | 3:00 -4:00 PM

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**WEBINAR**

**KRISTINA  
HUDSON**

CEO

**OneRedmond**







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# 23 Eastside Cities & Towns





# Eastside Supporting Partners







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*Center for Business  
Resilience and Innovation*

[www.OneEastside.org/  
SPARK](http://www.OneEastside.org/SPARK)

**OneEastside SPARK: *Center for Business Resilience and Innovation*** is open for our small businesses and non-profits!

### Offerings include:

- Database of financial opportunities and other resources
- Free one-on-one advising services
- Programs, webinars, & training opportunities in collaboration with our partners
- Businesses and non-profits: connect with your peers on our Facebook Group at <https://tinyurl.com/OneEastside-SPARK-Group>



# Upcoming Webinars



OneEastside  
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*Center for Business  
Resilience and Innovation*

## Transportation Update: Rebuilding Confidence in the Commute

**Thursday, July 29, 2021 | 10:00 AM - 11:00 AM**

## Reopening in the New Normal: Using the Smart WA Decision Tool to Increase Consumer Confidence in Customer-Facing Industries

**Thursday, August 5, 2021 | 1:00 PM - 2:00 PM**





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# **Business Advisors**

## ***Confidential, No Cost, One-on-One Technical Assistance***

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**Giselle Saguid**

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<https://wsbdc.org/contact-an-advisor/>

**(re)STARTUP425**

**Michael Reis**

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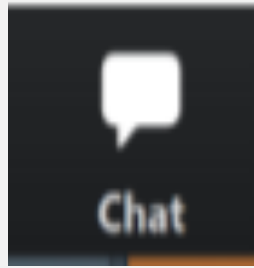
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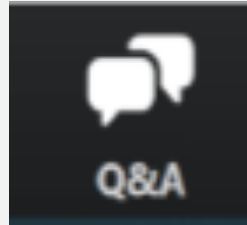
# Small Business Flex Fund



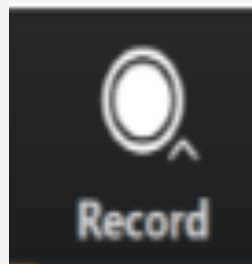
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Recording will be  
available following the  
webinar



# Featured Speakers



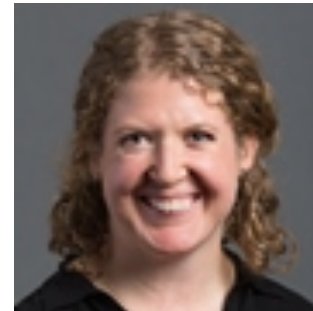
**Keith Swenson**

Washington State Department of Commerce



**Chuck Depew**

NDC - National Development Corporation



**Melissa LaFayette**

NDC - National Development Corporation



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**WEBINAR**

**Keith  
Swenson**  
Washington State  
Department of  
Commerce









A public-private partnership to increase access to capital and support for the smallest businesses in under-banked communities across Washington

OneEastside SPARK Presentation  
July 22, 2021

A woman with dark hair, wearing a light green surgical mask and a colorful patterned shirt, holds a cardboard sign that says "OPEN" in large, bold, black letters. The background is a blurred indoor setting.

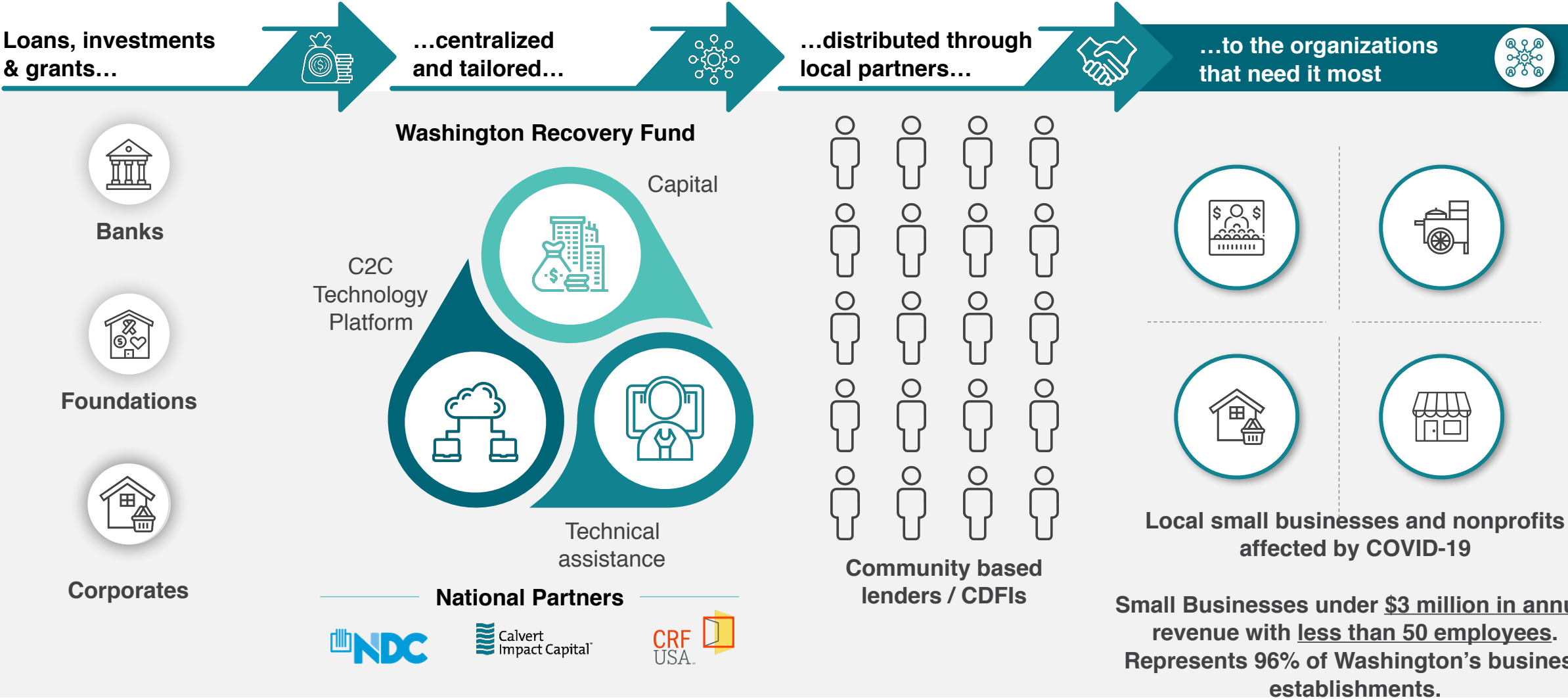
OPEN

## Federal programs have provided widespread direct support, but have not been sufficient to support businesses through the prolonged economic slowdown

	PPP/EIDL 	Recovery Loans 
Loan size	Tied to certain expenses; very limited for the smallest businesses	Tied to revenue from any three to six-month period from January 2019 to March 2020
Use of proceeds	Tied to spending on certain expenses	Flexible working capital
Reach + eligibility	Unavailable to many businesses that exist outside of the banking system; immigration status, criminal history can affect eligibility	Outreach through local, community-based networks; broad eligibility standards based on FTE and revenue size
Lenders	Mostly large and regional banks; CDFIs have participated but with limited liquidity available	Non-profit community development loan funds



# This program provides a supportive ecosystem around local community lenders so they can lean into the economic recovery



# CDFIs are community lenders who reach small businesses that the banks can't reach

Since its birth, the CDFI industry had invested **\$35 billion** across the country creating or preserving **1.5 million** units of housing, supporting **120,000** businesses and microenterprises, and supported nearly **10,000** community service organizations

The CDFIs' annual loss rates over this 20-year period were on par with FDIC insured institutions with a cumulative **net loan loss rate of just 1.5 percent**



On average, **75 percent** of CDFI clients are low-income, **52 percent** are owned or run by people of color and **48 percent** are owned or run by women

CDFI lending grew in the wake of the Great Recession while conventional banks massively contracted, with loan balances **declining by as much as 16 percent**



Participating lenders have decades of experience in serving Indigenous, rural, and immigrant communities and communities of color across Washington



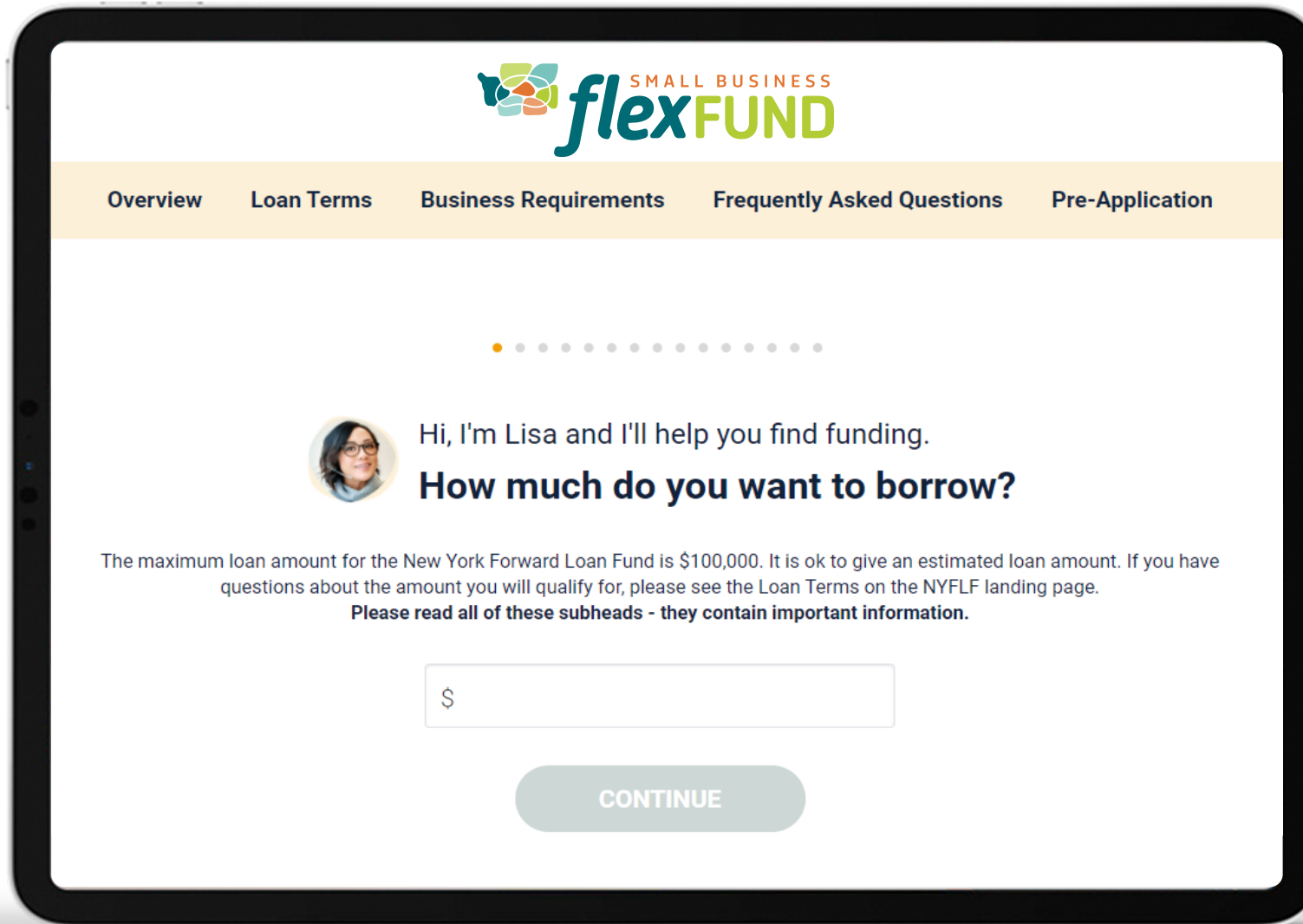
NDC has EDA funding for lending anywhere in Washington State.

Could involve more CDFIs in the future

# The loan product is tailored to meet the credit needs of small businesses throughout the recovery

Loan Terms					
Interest rate	Repayment term	Use of proceeds	Recourse	Fees	Loan amount
60-month term <ul style="list-style-type: none"> <li>4.00% fixed interest for small businesses</li> <li>3.00% fixed interest for non-profits</li> </ul> 72-month term <ul style="list-style-type: none"> <li>4.50% fixed interest for small businesses</li> <li>3.50% fixed interest for non-profits</li> </ul>	60-month term <ul style="list-style-type: none"> <li>0-12 months: interest only</li> <li>13 to 60 months: interest and principal</li> </ul> 72-month term <ul style="list-style-type: none"> <li>0-12 months: interest only</li> <li>13 to 72 months: interest and principal</li> </ul>	Working capital including payroll, operating and emergency maintenance, utilities, rent, supplies, etc.	No collateral required; a blanket lien on assets and personal guarantee may be required at the discretion of the CDFI originator	No upfront fees	Lesser of (a) <b>\$150,000</b> or (b) <b>6 months revenue</b> prior to the COVID-19 outbreak  • <b>SBA EIDL figures for Washington State</b> <b>67,555 loans</b> <b>Average = \$60,818</b>

Small business owners access the program through a simple, easy portal that matches them with a local community lender



The screenshot shows a web portal for 'flexFUND SMALL BUSINESS'. At the top, there's a navigation bar with links: 'Overview', 'Loan Terms', 'Business Requirements', 'Frequently Asked Questions', and 'Pre-Application'. Below this is a progress indicator with 10 dots, the first of which is filled. A circular profile picture of a woman named Lisa is shown next to the text 'Hi, I'm Lisa and I'll help you find funding.' Below this is a large text input field with the placeholder '\$' and a 'CONTINUE' button. A disclaimer at the bottom states: 'The maximum loan amount for the New York Forward Loan Fund is \$100,000. It is ok to give an estimated loan amount. If you have questions about the amount you will qualify for, please see the Loan Terms on the NYFLF landing page. Please read all of these subheads - they contain important information.'

*Platform organizes borrower by location so NDC can direct funds solely to businesses in jurisdictions and provide robust data reporting!*



# Small Business Flex Fund

## Current Metrics

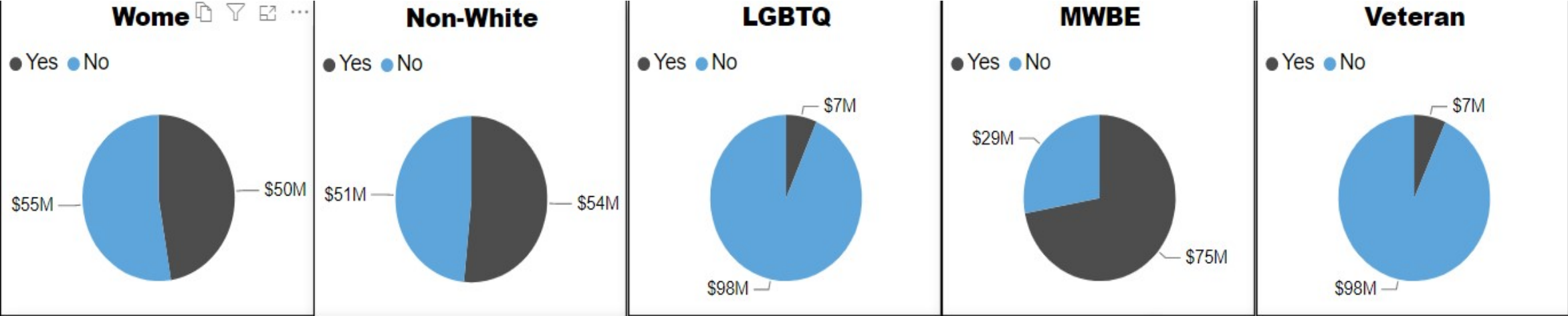
As of July 20, 2021

<div>\$300,000</div> <div>Funded Amount</div>
<div>\$104,547,780</div> <div>Matched Requested Amount</div>
<div>74.85%</div> <div>Percent Requested Amount Matched</div>
<div>2</div> <div>Funded Requests</div>
<div>1,070</div> <div>Matched Requests</div>

# Small Business Flex Fund

## Current Metrics – Applicant Diversity

As of July 20, 2021



## Local business assistance organizations are available to help borrowers get application and credit ready

The Fund connects local community lenders with a network of business advisory services to support the full small business ecosystem in Washington.







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**Chuck  
Depew**  
NDC - National  
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**Melissa  
LaFayette**

**NDC - National  
Development  
Corporation**



# Q & A



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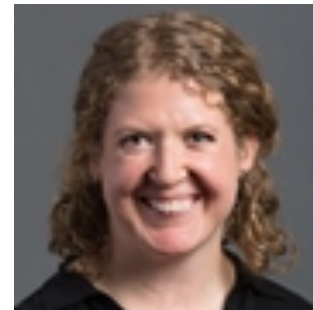


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