



**Village of Itasca**  
**Community Development Department**

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**MEMORANDUM**

TO: President Jeff Pruyn  
Village Board of Trustees

RE: Covid-19 Emergency Assistance  
Loan Program

FROM: Shannon Malik Jarmusz,  
CD Director

COTW: January 5, 2021

CC: Carie Anne Ergo, Village  
Administrator

ENCL:

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**BACKGROUND**

Following discussion on business assistance programing related to Covid-19 at the December 1<sup>st</sup> Committee of the Whole meeting and December 15<sup>th</sup> Village Board meeting, the Board directed staff to bring for forth a discussion item on a new potential loan program at the first meeting of the New Year.

Earlier in 2020, the Village activated the successful Itasca Bucks program intended to support restaurants, breweries, and residents. On December 15<sup>th</sup>, the Board approved a new grant program which will be rolled out to support restaurants and breweries in recovering a portion of their equipment costs for providing outdoor dining and/or rent or mortgage payments totaling up to \$10,000 for those that are awarded through the program.

As an expansion of the Village's Covid-19 Economic Development assistance programs, the Board was interested in discussing whether there is interest in creating a new Village of Itasca Emergency Assistance Loan Program intended to further support the business community with extraordinary costs associated with the pandemic beyond the programs described above.

Based upon feedback at the last few meetings, staff recommends that the Village Board come to consensus on the following:

1. Determination of whether there is consensus in support of a new emergency loan program.
2. Determination on whether the program would be managed in-house, and therefore, without under writing or determination of creditworthiness or if the Village Board would

prefer to work with a banking partner. Working with a third party to determine an applicant's ability to repay the loan would incur additional expenses, but it might lead to loans that are more likely to be repaid.

3. Determination of the value of the loan. Staff recommends a cap of no more than \$10,000 per eligible business, which mirrors the new Covid-19 grant program mentioned above.
4. Determination of the total number of loans/cap available and the funding source.
5. Determination of what business costs would be eligible for loan monies. I.E.- payroll, personal protective equipment, barriers, additional rent, mortgage, or outdoor dining costs beyond any grant awards, etc.

### **RECOMMENDATION**

The items above are intended to initiate a more in-depth Village Board discussion. Feedback received on January 5<sup>th</sup> would be taken into account in order to refine the proposal and bring back loan guidelines at a subsequent meeting of the Board.