



City of Calexico

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Via Press Release

www.calexico.ca.gov

CITY OF CALEXICO COVID-19 BUSINESS STABILIZATION LENDING PROGRAM GUIDELINES

IMPERIAL COUNTY IS IN TIER I – WIDESPREAD COVID-19 TRANSMISSION

Small businesses face many challenges in response to COVID-19 and the negative impacts that shutdowns have had on their employees and owners. The City is committed to stabilizing the small business community by providing direct loans. The City Council of the City of Calexico has created a COVID-19 Business Stabilization Lending Program to mitigate economic impact of the pandemic on the small business community. This lending program will be administered through the Department of Community and Economic Development.

The City of Calexico has \$150,000 committed to funding the COVID-19 Business Stabilization Lending Program. Both for-profit businesses and non-profit corporations located within the City are eligible to apply for a loan of up to \$7,500. All entities must have a valid business license.

Funds may be used to cover short-term working capital needs, such as payroll costs, rent, routine real estate and equipment financing payments, utilities or losses due to destabilizing events.

Applicants will be eligible for loans in the amount of up to \$7,500 on a first come, first served basis and available until exhausted.

Eligibility

- For-profit businesses and non-profit corporation located in the City of Calexico
- Agriculture, Commercial, Manufacturing/Industrial, Retail, Service
- Physical establishment within the City of Calexico
- Current City Business License and in operation as of December 31, 2019
- Have a demonstrated hardship due to COVID-19 (ex. loss in revenue)
- One time loan per state business entity
- Be in good standing with the City (e.g., current on utility bills, no liens or judgments, etc.)

Funding Allocation

In order to assist as many businesses as possible, upon approval, funding will be up to \$7,500 per applicant.

Forgiveness Loan Clause

Loans are limited to one time loan per state business entity and businesses must be in good standing with the City (e.g., current on utility bills, no liens or judgments, etc.)

In order to assist as many businesses as possible, upon approval, funding will be up to \$7,500 per applicant.

The Applicant would be eligible for a forgiveness clause should the entity prove that it has maintained or hired back the previous workforce. The forgiveness clause would be triggered by the decrease in before and after employment numbers with a 20% decrease in the forgiveness amount per one (1) Full Time Employee lost.

EXAMPLE - If a business laid off five (5) employees or more and after the six (6) month anniversary, these Full Time Employee had not been hired back or replaced, the entire loan amount would need to be paid back (20% decrease in forgiveness per job lost).

Full Time Employee had not been hired back/replaced, the entire loan amount would need to be paid back (20% decrease in forgiveness per job lost).

The City of Calexico determines the total number of employees of a business on a Full Time Employee basis. A full-time employee is one who works 40 hours per week. For example, one employee who works 40 hours per week equals one Full Time Employee. To determine the Full Time Employee number for part-time employees, add the total number of hours worked in a week by all part-time employee, and then divide that number by 40.

EXAMPLE - If a business has four part-time employees who work a total of 10 hours per week, those employees equal one Full Time Employee.

Approval Process

- Applications reviewed on a rolling basis.
- Applications reviewed by the City Finance Department and the City Manager's Office
- Funding decision within 5 business days of receiving a complete application. Funding anticipated to be released within 2 weeks of approval.

Submitting Your Application

Submit your application and required documentation by email beginning at noon on Monday, September 21st. No early applications will be accepted. The application period closes when funds are exhausted.

Please must submit the following required documentation along with your application. If selected, the loan applicant may be required to provide additional documentation including:

1. Loan application (www.calexico.ca.gov)
2. Current Business License
3. IRS Form W-9

4. Copy of driver license for applicants and/or individuals owning 20% or more of applicant entity

5. Employer's Quarterly Federal Tax Return dated 03/31/2020

6. Business Fictitious Name Filing, if applicable

7. Businesses Formation Documents, if applicable

- Partnership Agreement (Partnerships)
- Articles of Organization (LLC)
- Articles of Incorporation (Corporation)
- Declaration of Sole Proprietorship

Many of these documents can be found by accessing the California Department Business Entity Search Database: <https://businesssearch.sos.ca.gov/>

Contact the City Manager's Office with questions at 760.768.2110

The City of Calexico will administer these loans through the City Finance Department and the City Manager's Office. Additional details regarding program guidelines, loan terms and a link to the online application will be available on www.calexico.ca.gov on Monday, September 21, 2020.