



COVID Job Retention Program Information and Application

IMPORTANT INFORMATION:

This Program is available to for-profit businesses located in the City of Arcata.

Minimum loan is \$25,000; maximum is \$140,000. Funds must be used for purposes clearly related to business survival due to COVID-19 restrictions and impacts. Loan amounts are tied to retained FTE jobs (see FTE information below).

The loan is made for 6 months. If you can verify that you have retained the specified number of jobs over six months, the loan is forgiven. Three 6-month extensions to achieve retaining the jobs may be approved. If you are unable to achieve retaining jobs over a 6-month period, the loan is termed out over 5 years for loans under \$100,000, and over 7 years for loans over \$100,000. If termed out, the interest rate is 3%.

Use this checklist to determine whether you are eligible to apply:

Were you in business before 03-13-20?

Will funds be used for any of the following needs? Operating capital; inventory; FF&E to adapt to COVID-safe workplace; business debt refinance (private business debt lenders must also refinance); purchase existing business (if all employees are retained or rehired). Note: Construction, including installation of equipment, is not allowed.

Your business must retain at least 51% of FTE LMI jobs over a six month period (see explanations below) to convert the loan to a grant. A self-certification of income for employees is part of the application.

- * FTE – Full Time Equivalent job. *For example, if your work day is 8 hours, one employee working 4 hours and another working 4 hours = one FTE position. Calculations are based on CDBG requirements.*
- Job retention is calculated based on FTE positions for LMI (low-to-moderate income) employees.
- LMI means Low-to-Moderate Income – This is family income that is less than 80% of the area median income, as published by the CA Department of Housing and Community Development.

People in Household	1	2	3	4	5	6	7
2021-22 Median Income	\$50,400	\$57,600	\$64,800	\$72,000	\$77,750	\$83,500	\$89,300
Maximum Household Income	\$40,320	\$46,080	\$51,840	\$57,600	\$62,200	\$66,800	\$71,440

- Verification of income is made by payroll records and EDD reports.

REQUIRED INFORMATION with the Business Loan Application:

Pandemic Business Plan. Provide a plan for your business for at least the next six months. Cover these areas:

- Why retaining employees is important for your business operations.
- Description of your products or services.
- Changes you may make with loan proceeds.
- How you are viable in the market you serve.
- Management strengths or changes needed to carry out the plan.
- Anything else that will help us understand the challenges your business faces and how you meet them.
- If you have a plan that covered the period before the pandemic began, please provide that for comparison.

Sources and Uses. Please list what loan proceeds, together with any other cash or financing, will be used for. Provide support, such as invoices or cost proposals, inventory to be purchased, etc. *(form is attached if needed)*

Business Financial Information.

- Current Balance Sheet (within 90 days), and Profit and Loss statement
- Please use the attached Business Debt Schedule form, if needed to clearly show business debt
- Please use the attached Business Asset Schedule
- 3 years of tax returns (through 2020)

Projections. Please provide revenue and expense projections, and cash flow projections, for at least six months. *(form attached if needed)*

Personal Financial Information. Provide the following information for all owners who have more than 20% ownership:

- Personal Financial Statement *(form attached if needed)*
- Three years of tax returns (through 2020)

Management Resume. *(see attached resume form if needed)*

Credit Authorization Form for all Owners with more than 20% ownership. Form is attached. Please make copies as needed.

Current List of Accounts Payable and Accounts Receivable

List of All Collateral available to secure the loan. Note that this loan program allows the City to be in secondary position; list all potential collateral.

Ownership Documentation:

Corporation: Articles of Incorporation and Corporate Bylaws

LLC: Articles of Organization and Operating Agreement

Partnership: Partnership Agreement

Fictitious Business Name Statement if applicable.

Copy of City of Arcata Business License

Business Purchases. Call us for information about what you will need to provide if you are buying a business.

Self-Certification of Income form for Each Employee *(form attached)*

- Forms are confidential and completed by each individual employee. Employees may decide they do not want to share the information with their employer. Forms do not need to be submitted at the same time as the application. A list of all employees is required as part of the application (see below).
- Self-Certification forms may be delivered to City Hall to the attention of Keala Roberts. Forms may also be uploaded to a confidential City Dropbox: <https://www.dropbox.com/request/Ln90bWmb048TlsdNe5zB>
- Demographic Information on the form is also confidential, and is a federal and state requirement for this program.
- Please copy the form for each employee

Employee List. Provide a complete list of employees that includes hours worked *(form attached)*

Deliver your application to City Hall OR upload the application to this secure Dropbox:

<https://www.dropbox.com/request/5PgPNq72SF4ZSXskfXlf>

Once City staff have pre-qualified the loan request:

- *You will be asked for documentation of retained jobs*
- *Additional information may will be requested*
- *The requested loan amount will be confirmed as eligible*



Sources and Uses

List ALL Sources of funding and all Uses of funding. Include other COVID funding obtained.

Note that for the Job Retention Program funds may be used for the following:

- Operating Capital (for salaries payable, accounts payable, rent, etc.)
- Inventory
- Furniture, Fixtures & Equipment to adapt to COVID-safe practices
- Business Debt Refinance (must restructure all private business debt as well)
- Purchase Existing Business

Sources	
CDBG Job Retention Program	
TOTAL	

Uses	
TOTAL	

Documentation for Uses of Funds

- Provide documentation of any PPP or EIDL funding, including forgiveness documents if already forgiven.
- Provide third-party cost proposals for inventory and asset purchases.
- Provide salary schedules, rental agreement, and accounts payable invoices.
- Talk to us about business debt refinance and purchases of existing businesses.



Revenue and Expense Projections

Please provide projections for 6 to 12 months - begin with the upcoming month

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
SALES													
LESS: COST OF GOODS													
GROSS PROFIT													
<u>EXPENSES:</u>													
WAGES / SALARIES													
PAYROLL TAXES													
ADS / PROMOTION													
RENT													
SUPPLIES													
DEPRECIATION													
INTEREST EXPENSE													
LEGAL / ACCOUNTING													
TAXES / LICENSES													
INSURANCE													
UTILITIES/TELEPHONE													
MISCELLANEOUS													
OTHER:													
OTHER:													
TOTAL EXPENSE													
NET PROFIT													
LESS INCOME TAX													
PROFIT AFTER TAX													



Cash Flow Projections

Please provide projections for 6 to 12 months IF your business operates on an accrual basis.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
BEGINNING CASH													
SALES/OTHER INCOME													
CASH AVAILABLE													
CASH OUT													
COST OF GOODS SOLD													
WAGES / SALARIES													
LEGAL / ACCOUNTING													
ADS / PROMOTION													
SUPPLIES													
UTILITIES													
TELEPHONE													
TAXES / LICENSES													
INSURANCE													
RENT													
MISCELLANEOUS													
LOAN PAYMENTS													
OWNER DRAWS													
OTHER:													
OTHER:													
TOTAL CASH OUT													
ENDING CASH													



Personal Financial Statement

Name(s)	Phone	Email
Residence Address		
Name of Business Loan Applicant		

ASSETS	
Cash	
Savings	
Retirement	
Life Insurance – Surrender Value ¹	
Accounts/Notes Receivable	
Stocks/Bonds ²	
Real Estate ³	
Autos	
Other Assets ⁴	
TOTAL ASSETS	

LIABILITIES	
Accounts Payable	
Notes to Banks/Others ⁵	
Loan on Life Insurance	
Mortgages on Real Estate ³	
Other Liabilities ⁶	
TOTAL LIABILITIES	
NET WORTH	

¹ Life Insurance Held	Face Amount	Cash Surrender	Company	Beneficiary

² Stocks / Bonds	# Shares	Name	Cost	Total Value

³ Real Estate <i>List each property separately. Add attachments as needed.</i>				
	Property A	Property B	Property C	
Type				
Address				
Date Purchased				
Original Cost				
Current Market Value				
Mortgage Holder Name				
Mortgage Balance				
Monthly Payment				
Mortgage Status				

⁴ Other Assets	Type of Asset	Value	Pledged?

⁵ Notes to Others	Noteholder Name	Original Balance	Current Balance	Payment	Secured?

⁶ Other Liabilities <i>Describe other liabilities below</i>

Income	
Salary	
Net Investment Income	
Business Income	
Other Income ¹	
TOTAL INCOME	

Contingent Liabilities	
As Endorser / Comaker	
Legal Claims / Judgements	
Provision for Taxes	
Other Special Debt	

¹ Other Income. <i>Describe below</i>

Other Business Ownership. <i>List other businesses where you have a ≥20% interest</i>

Additional Questions. If the answer to any is yes, please attach a written explanation					
Have you ever declared personal bankruptcy?		Yes	No	<i>If Yes, provide information below</i>	
Chapter Filed	Date Filed	Case Number	Status		
			Dismissed	Payment Plan	Discharged Pending
Have you experienced foreclosure, repossession, judgement, or criminal penalty in the last 7 years?					Y N
Are any legal actions (claims, lawsuits, etc.) pending against you?			Y	N	

I authorize the City of Arcata and/or its servicer to make inquiries as necessary to verify the accuracy of my statements. I certify this information and information in any attachments is true and accurate as of the stated date. The statements are made for the purpose of obtaining a loan or guaranteeing a loan. I understand false statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

_____	_____	_____	_____
Print Name	Signature	Social Security #	Date
_____	_____	_____	_____
Print Name	Signature	Social Security #	Date



Management Resumé

Name		Date of Birth		Place of Birth	
Phone		Email			
Residence Address					
				From:	To:
Previous Address					
				From:	To:
Employed by US Government?		Yes	No	Agency	
US Citizen?	Yes	No	If no, Alien Registration Number:		
Education					
College/Technical Training (Name/Location)		Dates	Major	Degree/Certificate	
Military Service	Yes	No	Branch:	From:	To:
Employment Experience					
Company Name and Location:					
From:	To:	Title			
Duties:					
Company Name and Location					
From:	To:	Title			
Duties:					
Company Name and Location					
From:	To:	Title			
Duties:					
Additional Pertinent Experience:					

Signature

Date



Authorization for Credit File Disclosure

I hereby authorize **City of Arcata** to obtain a consumer credit and/or investigative report from Contemporary Information Corporation (CIC) on myself. I understand that such information may be derived in whole or in part from Experian, Equifax, and/or CIC.

Signature

Date

Full Name (Print)

Home Address

City

State

Zip

Social Security #

Driver's License or ID Number

Date of Birth



Business Asset Schedule

Date _____

Please list all assets, values, and whether they are pledged as collateral for another loan

	Asset	Estimated Value	Amount of Loan Secured by Asset	Lienholder
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Business Assistance Project SELF-CERTIFICATION of Income for

City of / Town of / County of Arcata **CDBG Funded Activity**

Page 1 to be filled out by Applicant/Employee

Status: Job Applicant (Creation) Current Employee (Retention)

Business Name: _____

Business Physical Address: _____, _____ (City)

Part I: Confidential Job Applicant / Employee HUD Demographic Data

(This section is voluntary.)

Ethnicity (Select One)		<input type="checkbox"/> Not Hispanic	<input type="checkbox"/> Hispanic
Race (Select One)			
<input type="checkbox"/> White	<input type="checkbox"/> Am. Indian/Alaskan Nat. & White		
<input type="checkbox"/> Black/African American	<input type="checkbox"/> Asian & White		
<input type="checkbox"/> Asian	<input type="checkbox"/> Black/African American & White		
<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Am. Indian/Alaskan & Black/African		
<input type="checkbox"/> Nat. Hawaiian/Other Pacific Isl.	<input type="checkbox"/> Other Multi-Racial		
Other Demographic Data (Select each that Applies)			
<input type="checkbox"/> Female Head of Household	<input type="checkbox"/> Single / Non Elderly		
<input type="checkbox"/> Participant Disable	<input type="checkbox"/> Related/Single Parent		
<input type="checkbox"/> Veteran	<input type="checkbox"/> Related/Two Parent		
<input type="checkbox"/> Elderly	<input type="checkbox"/> Other (_____)		
<input type="checkbox"/> Unemployed prior to Employment			

Part II: Confidential Job Applicant / Employee Income Certification

(Certification process may not be administered by business receiving CDBG funds.)

My total family size consists of _____ members, and the total gross annual income* for all adult members is \$_____.

*Gross annual income must include all sources of income (wages, child support, SSI, unemployment, pension, income from assets, etc., but does not include the income of live-in aids, per 24 CFR 5.403).

I certify that the information given on this form is true and accurate to the best of my knowledge. I am aware that there are penalties for willfully and knowingly giving false information on an application for Federal or State funds, which may include immediate repayment of all Federal or State funds received and/or prosecution under the law. I understand that the information on this form is subject to verification by state or federal personnel as part of compliance monitoring.

Job Applicant / Employee Signature: _____ Date: _____

Applicant / Employee Name (print): _____

Job Applicant / Employee Physical Home Address: _____, _____ (City)

