



COVID-19 Job Retention Forgivable Loan Program

6-Month Loan is Forgiven When Jobs Are Retained.

Available to for-profit **Businesses Located in the City of Arcata** which were legally operating before March 13, 2020.

Minimum Loan \$25,000. Maximum Loan \$140,000. Actual loan amount will be tied to purposes clearly related to business survival, as well as the number of full time equivalent jobs held by low-to-moderate income employees.

Loan may be used for:

- Inventory
- Operating Capital
- Furniture, Fixtures & Equipment used to adapt to COVID-safe operations
- Business Debt Refinance (with restrictions)
- Purchase of an existing business if all employees will be retained or rehired

The Job Retention Program uses CDBG (Community Development Block Grant) funds as part of its Business Assistance program. Underwriting is focused on pre-COVID financial information, and projected income over the next six to twelve months. Impacts of COVID-19 on business profitability and credit are taken into consideration.

Application packages can be downloaded at www.cityofarcata.org/920/Business-Support. Look under the Arcata Loan & Grant Programs tab.

If jobs are not retained over the 6-month term, three 6-month extension may be applied for. Interest accrues at 2%. If job retention requirements are met, the loan converts to a grant. If the job retention requirement is not met, the loan is termed out at a rate of 3% over five years for loans under \$100,000, and seven years for loans greater than \$100,000.

Application assistance is available at the [North Coast Small Business Development Center](http://NorthCoastSmallBusinessDevelopmentCenter.org). Call 707-445-9720 or email admin@northcoastsbdc.org to make an appointment.

Contact Susan Diehl McCarthy at the City of Arcata for more information. Call 707-496-6429 or email sdiehlmccarthy@cityofarcata.org.