



Small Business Emergency Relief Loan Program



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About the Program

- Small Business Emergency Loan Program
- **Up to \$20,000 Loans**
- **\$500,000 in Available Funding**
- Application period:
 - **Wednesday, October 21 at 5pm through Wednesday, November 4 at 5pm**



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About the Program

- Business must be affected by COVID-19
- Business must meet small business eligibility standards (as created by the City of Fountain Valley)
- Less than 25 full-time employees
- Loan is set at 2% for 3-years with no prepayment penalty
- Payments deferred for first three months



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Must be Affected by COVID-19

Must prove that your business has been negatively affected by COVID-19 in one of the following ways:

- Sales from the business are down more than 25% compared with the previous year (i.e. March and April 2019 vs. March and April 2020)
- Or if the business do not have previous year comparisons the business can provide the previous three months (Prior to March 1, 2020).
- The business has had to lay off at least one of its employees (full or part-time).
- Business has been declared non-essential and has been forced to shut down by the Federal or State government



Eligibility Requirements

- The business must be physically located in Fountain Valley;
- The business must be a for profit business;
- The business must have an active Fountain Valley business license for a minimum of six (6) months prior to March 1, 2020;
- The business must have 25 or fewer employees, including the owner;
- The business must have a minimum gross revenue of \$75,000-\$100,000 in 2019;



Additional Eligibility Requirements

- The business with less than \$75,000 in gross revenue in 2019 will be considered on a case by case basis;
- The business must submit the application and all required supporting documentation;
- The business did not receive funding from the City's COVID-19 Emergency Small Business Employee Retention Grant, Small Business Emergency Relief Grant Program, District 1 Grant Program; and
- The business must be in good standing with a FICO score of 650.



What Can the Grant be Used For?

- Payroll/employee retention or supporting employees
- Inventory and working capital
- Purchase of Personal Protective Equipment
- Rent or mortgage payments
- Addressing temporary COVID-19 related restrictions on business activity
- Increasing technology capacity to enable alternative work forms
- Creating new marketing campaigns or business plans
- Paying vendor invoices
- Facility cleaning/restoration
- Other Grantor approved uses



Use of Funds Breakdown

Applicants will fill out a use of funds form that will breakdown how the funds will be spent within their business by category:

- Payroll/employee retention or supporting employees
- Inventory and working capital
- Purchase of Personal Protective Equipment
- Rent or mortgage payments
- Addressing temporary COVID-19 related restrictions on business activity
- Increasing technology capacity to enable alternative work forms
- Creating new marketing campaigns or business plans
- Paying vendor invoices



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Ineligible Business Types

- Businesses that have accessed other Federal COVID-19 funding such as:
 - SBA's Disaster Loans
 - Paycheck Protection Program loans that is above 5% of their gross revenue from 2019
- Businesses that received funding from the City's COVID-19 Emergency Small Business Employee Retention Grant
- Businesses that received funding from the City's Small Business Emergency Relief Grant.



Ineligible Business Types

- Non-Profit or public entities
- Home-based businesses
- Businesses with more than 25 employees (FTE)
- New/Startup Businesses (with less than six months of operating history as of June 1, 2020)
- Residential or real estate projects including short-term rental operators
- Adult-entertainment related businesses
- Cannabis/Cannabis-related



How to Apply

Online Application (Only)

www.fountainvalley.org/35/Business



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When Can I Apply?

Application period:

- Opens on Wednesday, October 21 at 5 p.m.
- Closes on Wednesday, November 4 at 5 p.m.

Visit:

www.fountainvalley.org/35/Business



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Live Lottery (If Needed)

- Randomized, computer drawing
- Week of November 9th

Applicants and selected businesses will be notified in writing



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Application/Documentation Requirements

- Complete loan application;
- 2018 and 2019 business and personal tax returns;
- 2018 and 2019 business financial statements, which include balance sheets and profit and loss statements;
- Interim 2020 Profit and Loss Statement;
- Bank statements for last 3 months;



Application/Documentation Requirements

- Current City of Fountain Valley business license;
- 2019 and 2020 – Form 940 and Form 941 report for employment verification;
- Documentation supporting economic impact that has resulted from COVID-19 (details of economic impact, i.e., revenue loss, reduction in employee hours, layoffs, furloughs, modified business hours, etc.); and
- Documentation supporting use of loan funds.



Contact Information

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