



IMPERIAL COUNTY BUSINESS STABILIZATION LENDING PROGRAM GUIDELINES

The County of Imperial understands the difficulties faced by small businesses in response to COVID-19. The County is committed to stabilizing small businesses by providing loans in addition to other Federal or State funds that are available. In response to the local economic impact of the current health crisis, the County Board of Supervisors has created a COVID-19 Imperial County Business Stabilization Lending Program. The fund was created through the County's Community and Agricultural Benefit Programs.

The Community Benefit and Agricultural Benefit Programs are part of the Public Benefit Program for use with Solar Power Plants in Imperial County, which was established by the Board of Supervisors on January 24, 2012. All utility-scale solar projects built in Imperial County since that time have entered into Public Benefit Agreements with the County and have been contributing funds into the Program, which includes the Community Benefit Program. Imperial County receives funds from solar projects located in the unincorporated areas of the county. The Board of Supervisors has identified Goals and Objectives in order to maximize the benefits of these funds. Such benefits might include, but are not limited to, infrastructure improvement, job creation, economic development and enhancement to the quality of life in neighboring communities.

The County of Imperial Board of Supervisors approved the establishment of these funds during its regular meeting on Tuesday, May 10, 2020. Funds will be distributed to qualifying small businesses and micro businesses that have been affected in the recent weeks as a result of the COVID-19 pandemic.

COVID-19 Imperial County Business Stabilization Lending Program

The County has committed \$500,000 for this fund. The business must have experienced an economic impact due to COVID-19. For-profit and non-profit businesses located in Imperial County can apply for a loan of up to \$10,000. Funds are available to businesses within the region of Imperial County which includes the cities and the unincorporated areas of Imperial County. Funds may be used to cover short-term working capital needs, such as payroll costs, rent, real estate and equipment financing payments, utilities or losses due to destabilizing events. Loans will be available with an interest rate of 2% fixed on a amortized 2-year term. Applicants will be eligible for loans in the amount of up to \$10,000 on a first come, first served basis and available until funds are exhausted.

Eligibility

- For-profit and non-profit business located in Imperial County
- Agriculture, Commercial, Manufacturing/Industrial, Retail, Service
- Physical establishment within the County of Imperial
- Current City/County Business License and in operation as of March 31, 2020
- Have a demonstrated hardship due to COVID-19 (ex. loss in revenue)
- Funds shall be used for short-term working capital needs such as lease/mortgage payments, payroll, materials, supplies and services
- Comply with the County's non-discrimination policy (attached)
- One time loan per state business entity
- Be in good standing with the City/County (e.g., current on utility bills, no liens or judgments, etc.)
- Corporate and Personal guarantees required (including individuals owning 20% or more of applicant entity)
- Not related to County Elected Officer or Administrator/Department Head/Employee/Similar

Existing and Good Standing Community Benefit and Agricultural Benefit Loan Borrowers are eligible to apply.

Funding Allocation

In order to assist as many businesses as possible, upon approval, funding will be up to \$10,000 per applicant.

Forgiveness Loan Clause

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) FTE lost.

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

The abbreviation FTE is short for "full-time equivalent." The County of Imperial determines the total number of employees of a business on a FTE 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 FTE.

Approval Process

- Applications reviewed on a rolling basis.
- Applications reviewed by a loan committee consisting of county staff and external partners.
- 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 on Noon, Monday, May 18th. 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.co.imperial.ca.us)
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 12/31/2019
6. Employer's Quarterly Federal Tax Return dated 03/31/2020
7. Business Fictitious Name Filing (if applicable)
8. Partnership Agreement (Partnerships) / Articles of Organization (LLC) / Articles of Incorporation (Corporation) (if applicable)

Email a completed typed application (with all attachments) package to:

County of Imperial – Business Stabilization Lending Program

ICBIZLOAN@co.imperial.ca.us

Contact Rosa Lopez, Imperial County Executive Office with questions at 442-265-1001.

The County will be an active partner with Sun Community Federal Credit Union by playing a supportive role through all phases of the application and loan process. Additional details regarding program guidelines, loan terms and **a link to the online application will be available on www.co.imperial.ca.us on Noon, Monday, May 18, 2020.**