



## City of Tracy NOTICE OF FUNDING AVAILABILITY

### COVID-19 Small Business Forgivable Loan Program

The City of Tracy COVID-19 Small Business Forgivable Loan Program is a source of capital for small businesses that are experiencing significant business interruptions due to the COVID-19 global pandemic. The program is designed to provide funding for small businesses to cover economic damages suffered as a direct result from COVID-19. Eligible uses of the funds include lease or mortgage payments, utility payments, payroll for employees still employed and working at the business or employees rehired after a recent COVID-19 related lay-off, and other business needs as eligible under the Community Development Block Grant (CDBG) funding regulations. Applications will be processed on a first-come, first-served basis, with priority given to businesses that have not received any previous COVID-19 related federal assistance.

#### Eligibility Requirements:

To qualify for a forgivable loan, a recipient shall:

1. Be physically located within the city limits of the City of Tracy; and
2. Must have an active City of Tracy business license; and
3. Must be in good standing with the City (no outstanding City debt or code enforcement issues); and
4. Have been in operation prior to February 1, 2020; and
5. Employ no more than the equivalent of 20 full-time employees as of February 1, 2020; and
  - a. Please note: 51% of all jobs retained or rehired, must meet HUD Low Income eligibility requirements as provided in the below table. Self-employed individuals must also meet the same income eligibility criteria.

**2020 Income Limitations for the CDBG Program**

Family Size	Low-Income 80% of AMI	Median Income
1	\$42,000	\$53,500
2	\$48,000	\$61,200
3	\$54,000	\$68,850
4	\$60,000	\$76,500
5	\$64,800	\$82,600
6	\$69,600	\$88,750
7	\$74,400	\$94,850
8	\$79,200	\$101,000

#### Funding Amounts Available:

Loan amounts are dependent upon the number of FTE's that are employed. Sole-proprietors with no employees will be considered as 1 FTE. Workers paid by a form 1099 will be considered a contract worker and can apply independently as a sole-proprietor. Loan disbursement will occur via EFT payment.

- 1-5 employees \$5,000



- 6-10 employees \$10,000
- 11-15 employees \$15,000
- 16-20 employees \$20,000

**Eligible uses of funds:** Funds must be used for working capital (operations, payroll, rent, short-term uses of cash, utilities) and inventory.

**Loan Forgiveness Qualification:**

To qualify for loan forgiveness, documented evidence to include a copy of the 3<sup>rd</sup> Quarter 2020 State of California Form DE 9C verifying the retention/rehiring of low-moderate income employees will be required. Of retained/rehired employees, 51% must qualify as low-moderate income as identified in the 2020 Income Limitations for the CDBG and HOME Program table below. Self-employed individuals must meet the same income eligibility criteria.

If loan does not qualify for forgiveness, loan will be subject to a 1% fixed simple interest with a 24-month term payable in equal monthly installments.

**Submittal requirements**

1. [Completed Application](#) (to include business name, address, owner contact name, contact number, email, Social Security number, and copy of Driver's License)
2. Certified HUD Self-Certification form from each employee
3. Copy of City of Tracy Business License
4. Borrower Certification
5. Statement/Evidence of COVID-19 impact (signed certification of hardship)
6. Employing businesses must provide:
  - a. State of California Form DE 9C for 1<sup>st</sup> Quarter 2020
  - b. Sole proprietors to provide their full 2019 tax return including Schedule C
7. Form W-9
8. All forms must be PDF formatted, converted into a single document, and submitted via email to: [businessloan@cityoftracy.org](mailto:businessloan@cityoftracy.org). **(NOTE: File size is limited to 20MB. Please check your file size before sending to ensure delivery.)**

**Terms and Conditions:** Borrower Certification that information is true and accurate, agreement to audit use of grant funds, and agreement to convert loan and require principal and interest be repaid should funds be used for ineligible purposes. All approved applicants will be required to enter into a loan agreement with the City.

**Funding and Evaluation Criteria:** An outside consultant will verify all submitted documentation and completeness of the application. Please review submittal requirements carefully as incomplete applications are ineligible. Funding will be dispersed on a first-come, first-served basis until all funds are exhausted.

**Download Here:** [Program Details and Application Documents](#)

Questions regarding the eligibility or submittal criteria can be emailed to [econdev@cityoftracy.org](mailto:econdev@cityoftracy.org), attention Barbara Harb.



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<b>Business Information</b>	
Name of Business:	
Business Address:	
Business Owner Name:	Number of Employees:
Owner Contact Phone:	Owner Email:
Social Security Number:	Loan Amount Requested:

### Eligible Uses of Funds

- Working Capital  
*(operations, payroll, rent, short-term uses of cash, utilities)*
- Inventory

Borrower certifies that all information is true and accurate. Borrower authorizes City to audit use of grant funds, and agrees to repay loan with interest should loan proceeds be used for ineligible purposes. NOTE: All approved applicants will be required to enter into a loan agreement with the City of Tracy.

Applicant Signature

Date

### COMPLETED APPLICATION DOCUMENT CHECKLIST!

- Copy of City of Tracy Business License
- Copy of Drivers License
- Certified HUD Self-Certification form from each employee
- Borrower Certification Form
- State of California Form DE 9C for Quarter 1 2020 (for employers)
- Copy of full 2019 tax return including Schedule C (for Sole Proprietors)
- Copy of W-9
- APPLICATION FORMATTED AS A PDF INTO A SINGLE DOCUMENT (File Size is limited to 20MB. Please verify file size to ensure delivery or contact City for assistance.)

**Submit Completed Electronic Applications to:**

[businessloan@cityoftracy.org](mailto:businessloan@cityoftracy.org)

Questions regarding eligibility and submittal requirements can be emailed to [econdev@cityoftracy.org](mailto:econdev@cityoftracy.org).