



## **COVID-19 SMALL BUSINESS EMERGENCY ECONOMIC RELIEF PROGRAM**

For City of La Quinta Businesses Impacted by COVID-19

The City of La Quinta (City) recognizes that coronavirus disease (COVID-19) has put a difficult burden on our small business community. As a response to this unprecedented challenge, the City is establishing a \$1.5 million COVID-19 Small Business Emergency Economic Relief Program (Program), which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided to eligible businesses of 25 or fewer full-time equivalent employees in the form of zero percent interest loans of \$5,000; \$10,000; \$15,000; or \$20,000. Up to \$500,000 will be made available exclusively to restaurants in the City that are currently open for pickup and/or delivery orders.

The City will open the Program on Tuesday, April 21, 2020 and the deadline to submit applications is April 30, 2020 at 5pm. Loan approvals will not be made until after the deadline to allow all businesses an equal opportunity to be reviewed. The application period will close once all funds have been allocated. Eligibility and Program Guidelines are described in the following pages.

### **LOAN TERMS**

- 1) Repayment Term: 0% interest. Initial loan payment will begin after April 1, 2021 and will be equally billed on a monthly basis in accordance to a loan repayment schedule of two years. Early repayments will be accepted.
- 2) Loan Amount: Up to \$20,000 per business.
- 3) Loan Proceeds: Funds shall be used for operational needs such as lease/mortgage payments, payroll, supplies, and services.

### **ELIGIBILITY**

- One-time loan per business (applications may not include a business that has previously applied for a zero-interest loan under this program;
- Successful applicants are required to execute a promissory note in order to receive funding;
- Be a for-profit, independently owned local business. NOTE: Short Term Vacation Rentals (governed by Chapters 3.24 & 3.25 of the La Quinta Municipal Code) do not qualify to receive a loan under this program;

### ELIGIBILITY (CONTINUED)

- Employ up to 25 full-time equivalent (FTE) employees;
- Be a restaurant, retail, service, or entertainment business with a storefront physically established within the City of La Quinta;
- Have a current City of La Quinta Business License and have been in operation as of March 1, 2020;
- Provide a written statement demonstrating a hardship due to COVID-19, such as a loss in revenue;
- Have written sick leave policies to assist workers impacted by the COVID-19 pandemic;
- Comply with the State of California non-discrimination employment policies;
- Be in good standing with the City of La Quinta as of March 1, 2020 (e.g., no liens, judgments, or code enforcement cases, etc.); and
- Application is deemed complete by City Staff.

### ALLOCATION OF FUNDS

In order to assist as many businesses as possible, upon approval, funding will be allocated in the previously noted increments as follows:

- Businesses employing 0-5 Full-Time Equivalent (FTE) employees would be eligible for \$5,000
- Businesses employing 6-10 FTE employees would be eligible for up to \$10,000
- Businesses employing 11-15 FTE employees would be eligible for up to \$15,000
- Businesses employing 16-25 FTE employees would be eligible for up to \$20,000

### Meaning of FTE and Full-time Employee

The abbreviation FTE is short for "full-time equivalent." The City of La Quinta 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. To determine the FTE number for part-time employees, add the total number of hours worked in a week by all part-time employee, and then divide that number by 40. For example, if a business has four part-time employees who work a total of 10 hours each per week, those employees equal one FTE.

Example of Weekly FTE Calculation:

If you have 5 part-time employees working a combined total of 120 hours per a week, this equals 3 FTE (120 hours ÷ 40 hours = 3).

If hours vary per week, apply the calculation to each week and provide the largest FTE count. Payroll records provided should support FTE calculation.

## **APPLICATION QUESTIONS**

### **Disclosure of Information**

The City of La Quinta understands and supports the public's right to access public records. Information submitted through this application is a public record and may be subject to disclosure under the California Public Records Act (PRA). In addition, the City of La Quinta may be required to disclose information submitted through the application by some other legal process, for example, a subpoena. Please note, that all identifiable personal information will be redacted from any such response.

I agree that the City of La Quinta may determine in its sole discretion whether information submitted through this application is subject to disclosure under the California Public Records Act or through another legal process.

PRINTED NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**Please submit the following required documentation along with your application. The loan applicant may be required to provide additional documentation.**

- 1. Current City of La Quinta Business License**
- 2. W-9 Form (can be found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)**
- 3. 2020 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March**
- 4. 2019 Balance Sheets and Profit-and-Loss Statements January, February and March to show hardship.**
- 5. Payroll records for the months of January and February 2020 (Confidential information such as social security numbers or employee birth dates should be excluded).**
- 6. Tax returns for 2018 and 2019.**
- 7. Current FICO score of principal officer/majority owner.**

**\* If March 2020 financial statements are not yet prepared, banking records for March 2019 and 2020 demonstrating business losses may be accepted. Please redact account numbers before submitting.**

## **CONTACT INFORMATION**

Applicant Name: \_\_\_\_\_

Applicant Email: \_\_\_\_\_

Applicant Phone Number: \_\_\_\_\_

## **BUSINESS INFORMATION**

Business Name (dba): \_\_\_\_\_

Business Address: \_\_\_\_\_

Primary Business Owner Name: \_\_\_\_\_

Primary Business Owner Home Address: \_\_\_\_\_

Do you own or lease your establishment at this location? \_\_\_\_\_

How long have you been in business? \_\_\_\_\_

Type of Business Entity – Please provide Articles of Incorporation or bylaws for type of entity

- Corporation (C-corp, S-corp)
- Limited Liability Company (LLC)
- Partnership (LLP, joint venture)
- Individual/Sole Proprietorship
- Franchise
- Other

Primary Business Activity

- Retail
- Restaurant
- Other: \_\_\_\_\_

Please describe your business: (Include what the business produces and how it generates revenue.)

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Normal Business Hours (Pre-COVID-19):

\_\_\_\_\_

Normal Day(s) of the Week (Pre-COVID-19): \_\_\_\_\_

Current Business Hours:

\_\_\_\_\_

Current Day(s) of the Week: \_\_\_\_\_

How many years has this establishment been in business? \_\_\_\_\_

**IMPACT OF COVID-19**

Describe the business hardship that has resulted from COVID-19. Describe impacts on revenues, number of employees, modified business hours, etc. (verification may be required)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If funded; how would you utilize these resources:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

When did the hardship begin?

\_\_\_\_\_  
\_\_\_\_\_

What do you envision the impacts might be over the course of the next 90 days?

\_\_\_\_\_  
\_\_\_\_\_

Are there other services you may need, such as Marketing or Remote Work Assistance?

\_\_\_\_\_  
\_\_\_\_\_

**FINANCIAL INFORMATION**

The City of La Quinta reserves the right to request supporting documentation for all requested information. Please be prepared to provide tax information, payroll documentation, and other items as necessary.

Federal Tax ID (EIN): \_\_\_\_\_

City of La Quinta Business License #: \_\_\_\_\_

Amount of Monthly Rent or Mortgage (*please provide copy of mortgage statement or current lease*): \$\_\_\_\_\_

Does the business or owner(s) have any outstanding liens or judgements?

Yes

No

If Yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Is the business or business owner(s) currently the subject of any litigation?

Yes

No

If Yes, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATIONS**

- I understand that I am applying for a loan that must be repaid.
- I hereby certify that my business follows all applicable laws, including providing paid sick leave and following anti-discrimination laws.
- I hereby certify that I will use the funds allotted as described in this application.
- I hereby certify that all of the information submitted in this application is true and correct and agree to audits by the City of La Quinta.
- I hereby certify that all required eligibility documents in Exhibit A have been submitted with this application. Missing documents will extend the loan review process, which may result in non-funding due to priority funding of fully executed applications.
- Person(s) signing this certification is an authorized representative and owner of the business.
- By signing this certification, I acknowledge that I agree to and understand the eligibility and repayment terms of the loan program.

PRINTED NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**EXHIBIT A**

All required documentation shall be attached to the loan application at time of submittal. Please use this checklist to ensure your application is complete.

- Current City of La Quinta Business License
- W-9 Form (can be found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)
- 2020 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March
- 2019 Balance Sheets and Profit-and-Loss Statements for the months of January, February, and March to demonstrate hardship
- Payroll records for the months of January and February 2020 (Confidential information such as social security numbers or employee birth dates should be excluded)
- Tax Returns for 2018 and 2019
- Current FICO score of principal officer/majority owner
- Fully executed and signed loan application form

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