

City of Columbia Micro-Enterprise Program Overview

Downtown CID

4-14-20



PROGRAM OVERVIEW

- City Council reallocated \$90,000 in Community Development Block Grant (CDBG) funds for forgivable loans to approved Micro-Enterprise Businesses: 5 or fewer “employees”.
- On-line application process opens on Wed. April 15, 2020 at 8am.
- Applications will be processed on first-come-first serve basis, based upon a “complete” application.
- On-line system is Neighborly: <https://portal.neighborlysoftware.com/como/Participant>
- Application instructions and link to web based system is on our Housing Programs Webpage: <https://www.como.gov/community-development/neighborhoods/housingprogramsdivision/microenterprise-recovery-loan-program/>

ELIGIBILITY GUIDELINES

- \$5,000 forgivable loan
- Approved Micro-enterprise business: 5 or fewer employees
- Must meet HUD criteria for income eligibility by either of the following:
 - Owner is LMI, Or 51% of employees are LMI
- Cannot be going through bankruptcy
- Must document Columbia business license obtained prior to January 1, 2020
- Demonstrate operations for at least 12 months
- Proof of insurance
- 3 months bank statements demonstrating positive cash flow
- Completed SBA disaster recovery worksheet (Full submission of application not a requirement)
- Documentation of CDBG eligible expenses

WHAT TO EXPECT FOR TURNAROUND

- Business submits complete application
- City staff verifies for completeness and requests additional info as needed
- If eligible, staff request signature for participant agreement and promissory note
- Once signed, staff circulates to finance, legal, City Clerk and City Manager
- Once everything is signed off, Housing Programs Division staff requests a check to finance dept.
- Once check is issued, staff arranges for pick-up with qualified business
- City Finance Department writes checks every Thursday
- Anticipated turnaround time? 2 weeks, dependent upon completeness of application, business availability for signature and City approves demand for other COVID-19 response projects.

IMPORTANT DOCUMENTATION

- 2 HUD Income eligibility options:
 - LMI owned business
 - Owner household income tax return documentation, or first quarter profit and loss statement if joint owned
 - If spouse or partner works, they must provide tax return documentation as well, or previous 2 months pay stubs
 - Must have full household income documentation (all working adults residing within the household)
 - 51% of LMI employees
 - Must have signed income certification forms for each designated LMI employee
 - Down and upload through Neighborly

COMMON QUESTIONS THUS FAR

- If the business hasn't filed 2019 tax returns, will 2018 work? **Yes**
- For eligibility is it 5 employees, or 5 FTE? **5 employees**
- Do we need to provide proof of submitting a full SBA disaster recovery application? **No, just the worksheet**
- Any additional questions?

