

Micro-Enterprise Recovery Loan Program Guidelines and Application Instructions

The City of Columbia’s Micro-Enterprise Recovery Loan Program was formulated as a response to assist micro-enterprise businesses adversely impacted by social distancing measures implemented to decrease the impact of COVID-19. This program provides a fully forgivable loan for qualified local micro-enterprises with 5 or fewer employees. This document outlines program guidelines, instructions for submitting an application, information needed and timeline for disbursement. All applications must be submitted through the on-line Neighborly system:

<https://portal.neighborlysoftware.com/como/Participant>

Program Guidelines

1. Up to \$5,000 will be awarded for qualified microenterprise businesses to utilize for approved expenses identified.
2. Funds will be provided in the form of a forgivable loan.
3. Qualified businesses with ownership or partners currently undergoing bankruptcy proceedings are ineligible.
4. Qualified businesses must have 5 or fewer employees and also operate within the City of Columbia.
5. Qualified businesses must provide documentation of a City of Columbia business license that was obtained prior to January 1, 2020.
6. Qualified businesses must demonstrate operations of at least 12 months.
7. Qualified businesses must provide proof of current liability insurance.
8. Qualified businesses must demonstrate HUD eligibility requirements demonstrating ownership by a low to moderate income household or maintaining 51% of its employees meeting LMI criteria, or any other HUD criteria documenting LMI.
9. Qualified businesses must provide previous 3 months bank statements to assist in demonstrating positive cash flow.
10. Qualified businesses must submit a completed Small Business Administration (SBA) Economic Injury Worksheet documenting an adverse economic impact and business interruption.
11. Applications must include the identification of approved CDBG eligible expenses to be utilized for: rent, payroll, inventory, operating expenses and working capital.
12. Funds will be drawn down upon verification of meeting all criteria set forth in the application.

Current Income Limits for Households at 80% Area Median Income

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Income 80% | \$43,650 | \$49,850 | \$56,100 | \$62,300 | \$67,300 | \$72,300 | \$77,300 | \$82,500 |

Timeline for Disbursement

City staff estimates a 2 week turnaround for disbursement of funds from the time of qualification, depending upon the level of demand and completeness of applications.

Application Instructions

1. Applications will be accepted directly by the Housing Programs Division.
2. Applying businesses can meet HUD eligibility criteria by either demonstrating ownership by an LMI household, or documenting at least 51% of employees are LMI.
3. Upon approval, City staff will provide the business applicant an “approval letter”.
4. Upon acceptance of the approval letter, City staff will arrange for electronic signature of the City’s approved program participant agreement and promissory note.
5. Upon the applicant signing the participant agreement, City staff will circulate the document for internal signatures of finance, legal and the City Manager.
6. Upon completion of obtaining internal City staff signatures, City staff will notify the business of timing for executing disbursement of funds and will arrange for obtaining an original signature by the owner on the promissory note.
7. After receiving the disbursement of funds, each qualified applicant business will have one year to complete the expenditure of funds.
8. Upon receiving verification of meeting all program parameters, the loan will be forgiven.

Applicant Information Checklist

The following information must be compiled and submitted by each qualified applicant:

- Business name
- Contact info
- Federal Employer Identification Number
- DUNS number
- Total number of employees
- If LMI owned, applicant must provide income documentation for all income earning household members including last 2 months pay stubs or previous year household taxes
- If 51% of employees are LMI, applicant must provide a self-certification form for each LMI employee
- Itemize list of expenses funds will be used for: rent, utilities, inventory, payroll and other operating costs.
- General Liability Insurance and Auto-Insurance
- Previous year business tax return
- Certificate of incorporation
- City of Columbia business license
- Previous 3 months company bank statements