

Small Business Recovery Loan Program Guidelines and Application Instructions

The City of Columbia’s Small Business Recovery Loan Program was formulated as a response to assist non-corporate, locally owned small 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 small businesses with 5 to 50 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. \$15,000 will be awarded to qualified businesses to utilize for approved CDBG eligible expenses identified within the application.
2. Qualified businesses must have more than 5 employees and less than 50 FTE positions. Qualified businesses must be locally owned by a resident of Boone County, Missouri. For dual or multiple ownership businesses, at least 51% of the business interest must be owned by a local resident(s) of Boone County, MO.
3. The assistance will be provided in the form of a 0% interest forgivable loan to be forgiven upon meeting all program requirements including documentation of utilizing funds on CDBG eligible expenses and retaining 1 LMI position for a period of 12 months. If program requirements are not met, the loan will be repaid over a 3 year period beginning 12 months after loan funding.
4. Qualified businesses must provide most recently due annual tax filing.
5. Qualified businesses shall agree to the loan assistance amount being secured by a promissory note.
6. Qualified businesses with ownership or partners currently undergoing bankruptcy proceedings are ineligible.
7. Qualified businesses must provide documentation of a City of Columbia business license and currently operate within the City of Columbia.
8. Qualified businesses must demonstrate operations of at least 12 months.
9. Qualified businesses must provide proof of current liability insurance.
10. Qualified businesses must create or retain 1 Low to Moderate Income (LMI) FTE per \$15,000 in assistance for 12 months from the date of completing the agreement for assistance.
11. Qualified businesses must designate the specific position identified as LMI and report and provide payroll documentation for 12 months after receiving assistance demonstrating the position has been reserved for and utilized by an LMI household. If the business has not fulfilled the primary objective of creating or retaining LMI employees in designated positions, the City may require funds be repaid immediately, or require an extension of LMI position reporting requirements for up to an additional 12 months equal to the term of non-compliance.
12. Qualified businesses must submit a completed Small Business Administration (SBA) Disaster Recovery worksheet documenting an adverse economic impact and business interruption.
13. Applications must include the identification of approved CDBG eligible expenses to be utilized for: rent, payroll, inventory, operating expenses and working capital.
14. Funds will be disbursed upon verification of an eligible application. A report detailing expenditure of CDBG funds will be required to be submitted within 6 months of initial loan disbursement.

Current Income Limits for Low to Moderate Income (LMI) 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 for a period of 1 business day, or until 150% of funds available are requested in applications
2. Once the application period is closed, applications will be scored 0 to 5 based upon 5 available points to be awarded as follows:
 - Ownership within the City limits: 1-point
 - Minority owned business: 1-point
 - Women owned business: 1-point
 - Has not received PPP or SBA assistance: 1-point
 - Investing 20% of funds in adaptation and resiliency: 1-point
3. The highest scoring applications in date/time submitted order will be funded as funding is available.
4. Applying businesses must meet HUD eligibility criteria by documenting retaining at least 1 low to moderate income (LMI) employee.
5. Upon approval, City staff will provide the business applicant an “approval letter”.
6. Upon acceptance of the approval letter, City staff will arrange for electronic signature of the City’s approved program participant agreement and promissory note.
7. Upon the applicant signing the participant agreement, City staff will circulate the document for internal signatures of finance, legal and the City Manager.
8. 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.
9. After receiving the disbursement of funds, each qualified applicant business will have 6 months to complete the expenditure of funds and must retain 1 LMI employee for at least 12 months.
10. 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
- Applicant must provide a self-certification form for at least 1 LMI employee to be retained, as well as 2 months’ pay stubs for said employee
- Itemize list of expenses funds will be used for: rent, utilities, inventory, payroll, adaptation/resiliency 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