



SMALL BUSINESS SUSTAINABILITY LOAN PROGRAM

Information & Guidelines

To assist our small business community as we continue through this COVID-19 crisis, the City of South Lake Tahoe created a Small Business Sustainability (SBS) Loan Program and has allocated funds up to \$700,000 to make loans of up to \$15,000 to eligible small businesses.

KEY LOAN FEATURES

- 0% interest rate
- No collateral required
- No fees or points
- Payments deferred until June 1, 2022
- The loan balance will be required to be repaid in equal installments based on the amount of your loan:
 - Tier 1 (loans up to \$5,000), repayment will be over three years beginning June 1, 2022 (\$139 per month maximum)
 - Tier 2 (loans up to \$10,000), repayment will be over five years beginning June 1, 2022 (\$167 per month maximum)
 - Tier 3 (loans up to \$15,000), repayment will be over seven years beginning June 1, 2022 (\$215 per month maximum)

AVAILABLE LOAN AMOUNTS

- Tier 1: Businesses with 8 or less employees, loans up to \$5,000
- Tier 2: Businesses with 9 to 30 employees, loans up to \$10,000
- Tier 3: Businesses with 30 or more employees, loans up to \$15,000
- The above loan tiers and the number of loans we are able to offer, will depend on how many applicants apply, given our limited funding allocation of \$700,000.
- The loan program will allocate at least 30% to businesses with less than 8 or less employees

WHEN CAN I APPLY?

The City loan program will open on Monday, January 11, 2021. At that time, applicants will be able to access the Loan Program Application and submit a complete application package.

Applications will be reviewed until the allocated loan program funds are fully exhausted. The review phases are as follows:



- The 1st Review of completed applications will consider those applications received by 5:00 p.m. on Friday January 15, 2021.
- If funds are remaining after the 1st review, the 2nd review period will consider those applications received after the 1st Review window closes but no later than 5:00 p.m. on Friday January 22, 2021.
- This process will continue weekly until all funds are awarded or until it is determined by City Council that the program is no longer necessary.

ELIGIBILITY

- Applicants must be a for-profit, independently owned and operated business or a non-profit located within the City limits of South Lake Tahoe, CA.
- Your business must have a storefront presence or office within the City limits of South Lake Tahoe, CA.
- Eligible business types include restaurants, retail stores, or local service provider.
- You must have a current City of South Lake Tahoe Business License as of October 1, 2020
- Your business must have been in operation as of March 1, 2020.
- You must have demonstrated hardship due to the 2020 COVID-19 pandemic and its related Public Health Orders, such as a closure and resultant loss in revenue.
- Loan funds shall be used for daily operational needs such as your lease/mortgage payments, payroll and benefit costs, utilities, materials, supplies and services associated with making your business compliant with additional social distancing requirements.
- Per the application, you must inform the City of South Lake Tahoe if you have applied for a Paycheck Protection Program (PPP)/CARES Act loan, and whether your application was successful. The City may give a preference to businesses unable to receive a PPP loan if the business has attempted to apply but was denied because of lack of PPP funding or because the business was not able to process a loan application through area banks and SBA.
- Eligible businesses are required to comply with all state, county and local requirements regarding COVID-19 regulations; otherwise, they will be required to repay the loan immediately following the verification of a violation of state, county and/or local requirements.

ADDITIONAL DETAILS

- If more than \$700,000 in loans are requested, we reserve the right to lower the maximum loan amounts to attempt to provide loans to as many qualifying applicants as possible.



- Successful applicants will be required to execute a Promissory Note, and other documentation deemed necessary.
- Given our limited resources, the City of South Lake Tahoe may not be able to award loans to everyone who applies, even to applicants who clearly comply with all application requirements.
- There may be interest charged at a rate established no lower than 5% if the loan balance is not paid in full by the maturity dates of June 1, 2025 (for loans less than and up to \$5,000) and June 1, 2027 (for loans between \$5,001 and \$10,000), and June 1, 2029 (for loans between \$10,001 and \$15,000).
- A verified example of violation of state, county and/or local requirements regarding COVID-19 regulations triggers immediate re-payment requirements with an interest rate established at no lower than 5%.

APPLICATION REVIEW

- Please be sure your application is complete when you send it in.
- Applications will be reviewed by a loan committee consisting of City of South Lake Tahoe staff and external partners selected by the City Manager.
- A best effort attempt will be made to make loan approval decisions within fifteen (15) business days following each review period.
- We anticipate that loan funding will occur within 2 weeks after loan applications have been approved.
- To provide transparency, the City of South Lake Tahoe will post a list on the City's website showing all businesses receiving a loan and in what amount. By signing and submitting a loan program application with the City of South Lake Tahoe, you agree to have your company's name along with the loan amount listed on the website.

SUBMITTING YOUR APPLICATION

You will be required to submit the following required documentation along with your signed application form. (If selected, you may be required to provide additional documentation including most recent tax returns, 941s, etc.)

1. A photo or copy of your current City of South Lake Tahoe Business License as of October 1, 2020
2. A current IRS Form W-9 (showing your Taxpayer ID); and
3. A payroll register, or similar documentation, including the number of employees and hours each employee worked to verify the number of employees your business had as of October 1, 2020. Please do not show any social security numbers (SSNs) on this documentation.



Please submit the application form and the supporting documentation in an envelope (please write “SBS Loan Application” on the envelope) at the City of South Lake Tahoe City Hall, 1901 Lisa Maloff Way, Suite #210, South Lake Tahoe, CA. 96150 in the finance drop-box or mail to the above address.

To be considered in the 1st Review of loan applications, your materials must be in by 5:00 P.M. on Friday, January 15, 2020.

Contact the City of South Lake Tahoe at recovery@cityofslt.us with any questions and we will return your e-mail promptly.



CITY OF
SOUTH LAKE TAHOE

Small Business Sustainability Loan Borrower Application

Please Check One:	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> C Corp	DBA or Tradename, If applicable	
	<input type="checkbox"/> Independent Contractor	<input type="checkbox"/> Eligible Self-Employed Individual	<input type="checkbox"/> S Corp		
	<input type="checkbox"/> LLC	<input type="checkbox"/> Other		City of South Lake Tahoe Business License #	
Business Legal Name			SS #, TIN, EIN No.		Phone #
Business Address			Name of Primary Contact		Contact's Email Address
Number of Employees (as of Oct 1, 2020):					
Purpose of the Loan (you may select more than one):	<input type="checkbox"/> Payroll & Benefits	<input type="checkbox"/> Lease/Mortgage			
	<input type="checkbox"/> Utilities	<input type="checkbox"/> Other (explain) _____			
Applicant Ownership					
Please list all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.					
Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address	

Please refer to the *City of South Lake Tahoe Small Business Sustainability Information & Guidelines* for additional details.

Loan Amount. The City of South Lake Tahoe SBS Loan program will offer loans up to \$5,000 (applicants with 8 employees or less), \$10,000 (applicants with employees 9 to 30 and up to \$15,000 (applicants with employees more than 30). Awarded loan amounts may depend on the number of applications received and the total loan amounts requested. **I am seeking a loan in the amount of \$_____.**

Loan Term/Repayment. Installment or lump sum payments of the City of South Lake Tahoe SBS Loans are due starting June 1, 2022. The balance outstanding will be repaid over three (3), five (5) or (7) years, depending on the size of the business or loan. A loan up to and including \$5,000 will have a repayment period of three (3) years. A loan between \$5,001 and up to \$10,000 will have a repayment period of five (5) years. A loan between \$10,001 and \$15,000 will have a repayment period of seven (7) years. These are zero-interest loans for payments during the repayment period. For loan balances that are not paid in full by the end of the repayment period, interest will be charged at a rate no lower than 5% APR. Loan recipients will be required to make equal monthly loan payments to ensure the loan is paid in full by the end of the repayment period. **A verified example of violation of state, county and local requirements regarding COVID triggers immediate re-payment requirements with an interest rate established at no lower than 5%.** The Finance Department of the City of South Lake Tahoe will administer the loan once granted.

Certifications and Authorizations: Each owner with 20% or more ownership, as noted above, must certify in good faith to all of the below by initialing next to each one. By initialing, I certify that:

____ I have read the statements included in this form, together with the document titled *City of South Lake Tahoe Small Business Sustainability (SBS) Loan Program Information & Guidelines*, and I understand them.

___ My business is a for-profit or non-profit business that is located within the City of South Lake Tahoe city limits, and has a “brick and mortar” presence here.

___ My business has been in business in City of South Lake Tahoe since at least March 1, 2020.

___ My business has been adversely impacted because of the COVID-19 crisis and related public health orders.

___ I will be using the SBS Loan funds for my business’ personnel costs (wages, benefits), lease or mortgage payments, utilities, or materials and supplies to help improve my business’ ability to re-open with distancing orders.

___ I have attempted in good faith to apply for a Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) and did not receive a PPP Loan.

As related to the above certification on your PPP loan application, please elaborate on the below, as applicable:

- Please explain why you did not apply for a PPP loan: _____
- OR - I applied for a PPP loan but do not know if I will receive a loan. The amount I applied for is \$ _____
- OR - I applied for and have secured funds for a PPP loan in the amount of \$ _____
Please note, if you have secured funds for and/or have received a PPP Loan, you may still apply for this SBS Loan, but preference may be given to those applicants who, despite a good faith effort, were unable to get a PPP Loan.

___ I acknowledge that the SBS Loan funding source is limited, and that I may not receive the loan amount I have requested or any loan amount at all if the program is oversubscribed.

___ I am not (and nor have any individuals owning 20% or more of the equity in my business been) subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole.

___ Within the last 5 years, for any felony, I have not, nor has any owner of my business: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment).

___ I am eligible to receive a loan under the rules in effect at the time this application is submitted and as stated on this application.

Documentation Necessary for a Complete Application. Please submit the following documentation along with your signed application (see additional instructions at the bottom of this application):

___ Form W-9 from the IRS (showing your Taxpayer ID number and business tax classification);

___ A photo or copy of your current (as of October 1, 2020) City of South Lake Tahoe Business License; and

___ A payroll register, or similar documentation, including the number of employees and hours each employee worked to verify the number of FTE employees your business had as of October 1, 2020. Please do not show any social security numbers (SSNs) on this documentation.

If selected and awarded an SBS Loan:

- You may be required to provide additional documentation; and
- To provide transparency for the loan review and approval process, the City of South Lake Tahoe will be posting the names of the businesses that received a loan and the loan amount on its website.

By Signing Below, You Make the Following Representations:

I certify that:

- I have read the statements included in this form and in the Information & Guidelines, and I understand them.
- I am not engaged in any activity that is illegal under federal, state or local law.
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects.
- I certify that I will adhere to COVID-19 requirements or I will be required to repay the loan immediately following verification of a violation of a State, County or local requirement.

Name of Applicant (Print Name)

Signature of Applicant

Title of Applicant

Date Signed

Please submit the application form and the supporting documentation in an envelope (please write "SBS Loan Application" on the envelope) at City of South Lake Tahoe City Hall, 1901 Lisa Maloff Way, Suite 210, South Lake Tahoe, CA in the Finance drop-box at the City Hall building or mailed to the above listed address. **To be considered in the 1st Review of loan applications, your materials must be in by 5:00 p.m. on Friday January 15, 2021.** Please know that the City's intent is to consider loans for as many businesses as possible who provided a complete packet before the 1st Review period. If funds remain after the 1st Review period, the **2nd Review** period shall be those applications received after the close of the 1st Review period but by **5:00 p.m. on Friday, January 22, 2021.**

Contact the City of South Lake Tahoe at recovery@cityofslt.us with any questions.

Funding for the City of South Lake Tahoe Small Business Sustainability Loan Program was approved by the City of South Lake Tahoe City Council on January 5, 2021. The purpose of the SBS Loan Program is to help South Lake Tahoe-based businesses survive the economic downturn caused by COVID-19 and the related Shelter-in-Place orders.