



Sebastopol City-Sponsored Loan Program Application

Applicant Information

| | |
|---|---|
| Business Legal Name | |
| <i>DBA if applicable</i> | |
| Business Legal Address | |
| Business Mailing Address | |
| Sebastopol Business License Number | |
| Business Tax ID Number | |
| Business Type | <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> Other: _____ |
| Business Primary Point of Contact | |
| Contact Email Address | |
| Contact Phone Number | |

Ownership

| Owner Name <i>if 20% or more ownership</i> | Title | Ownership Percentage | Mailing Address |
|--|--------------|-----------------------------|------------------------|
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Loan Funds

Please read this section carefully and specify the amount requested for your business loan below.

The Sebastopol City-sponsored loan program is offering 0% interest loans up to \$10,000.

Loan payments will be deferred for 6 months, the first payment coming due no earlier than April 1st, 2021, at which point the loan periods will begin. Tier 1 loans (up to \$5,000) will be paid back in a 3-year period, Tier 2 loans (above \$5,000 up to the maximum of \$10,000) will be paid back in a five year period. Interest calculated on the established payment schedule will be paid by the City of Sebastopol, however any late fees, penalties, additional interest, expenses beyond the term date of the loan, or any other additional expenses will be the responsibility of the borrower.

40% of the program is reserved for Tier 1 loans. In the event that applications exceed the total program capacity, applicants will be selected at random by lottery.

Please note: use of funds from the Sebastopol City-sponsored loan program may only be used for the following expenses: personnel costs (wages, benefits, 1099 contractors), lease or mortgage payments, utilities, or materials and supplies to help improve business' ability to comply with public health orders. All participants will be authorizing auditing measures conducted by the City as needed to ensure that funds from this program are being utilized as intended.

Please see the Information & Guidelines section at the end of this document for more information.

| | |
|--|----------|
| Loan Amount Requested <i>Maximum of \$10,000</i> | \$ _____ |
|--|----------|

Qualifying Information

In order to be eligible for this program, your business must affirm the following conditions are met:

True False This business had no more than 25 FTE as of March 1st 2020. Please indicate
Please indicate the number of FTE at your business as of March 1st 2020: _____

How to calculate FTE (Full Time Equivalent): Calculate the average number of hours in a regular work week by all payrolled employees and divide that number by 40.

True False All employees of this business earn a living wage as defined by [Sebastopol's Living Wage Ordinance](#) (\$13.20 per hour inclusive of benefits spending).

True False This business has an active Sebastopol Business License and is in good standing with the City of Sebastopol.

True False This business was in operation on or before October 1st, 2019.
First day of business operation in Sebastopol: _____

True False This business does not meet the definition of a Formula Business under the [Sebastopol Formula Business Ordinance](#) (25 or more establishments nationwide).

True False This business is a for-profit business located within Sebastopol City limits.
**nonprofits are eligible for grants through a separate city program*

True False This business' headquarters is located in Sonoma County.
Total number of business locations: _____
Location of corporate headquarters: _____

True False This business has experienced demonstrable hardship as a result of the COVID-19 pandemic and related public health orders.

Please describe the hardship encountered by your business as a result of the pandemic

Required Documentation

Please submit the following scanned documentation with this application:

- Your current City of Sebastopol Business License
- A payroll register or similar document which provides insight into employee wage and hours worked to verify FTE calculations and living wage requirements (please redact any identifying information about your employees prior to sending this document)

Certifications and Authorizations

Each owner with 20% or more ownership as listed above must certify in good faith all of the below by initialing next to each item.

_____ I have read the statements included in this form as well as the Sebastopol City-Sponsored Loan Information & Guidelines document and I understand them.

_____ The answers provided on this form are true and accurate to the best of my knowledge.

_____ I understand that the funds provided for this program are limited and that by submitting this application I am not guaranteed a loan.

_____ I understand that further documentation may be required to confirm eligibility for this program, and should I be awarded the city may audit use of funds to ensure they are used in accordance with this program's limitations.

_____ I understand that the City of Sebastopol will pay interest on the established loan schedule, and any other fees, penalties, additional interest, expenses beyond the term date of the loan, or any other additional expenses will become my responsibility.

_____ I understand that by participating in this program my documentation, loan status, and any actions regarding this loan program are public record, and furthermore the City of Sebastopol, in order to provide transparency in this program, may publish my name and business info in the process of reporting program performance and activities.

By signing below you attest that you have read this document and the Information & Guidelines in their entirety, affirm that all information and documentation provided in this application is true and accurate, and agree to the terms and conditions of the Sebastopol City-sponsored loan program.

Signature: _____

Name: _____

Title: _____

Date: _____

Please submit this form and all required documents to SebBizLoan@cityofsebastopol.org no later than 5 p.m. on Monday, September 28th.

For any questions or support regarding this application process, please email loansupport@comission.group.

Sebastopol City-Sponsored Loan Program

Information and Guidelines

Purpose & Background

The current events of the world call for our community to come together in ways we have never before. Through the Community Vitality Project, it was estimated that approximately 32% of businesses located in the City of Sebastopol experienced temporary closure as a result of the pandemic and related health orders, 25% lost 100% of their revenue during the initial months, and 70% of businesses had to take some form of layoff or furlough action. The City of Sebastopol is taking action to support these businesses to help them navigate the devastating financial impact of the pandemic. Designed and passed by unanimous vote at the August 1, 2020 Sebastopol City Council meeting, the Sebastopol City-Sponsored Loan Program makes \$150,000 in 0% interest loans available up to a maximum of \$10,000 per business through Community First Credit Union.

Program Summary

Loan Details

- 0% Interest to borrower
- No collateral or credit requirements
- No fees or other charges
- Payments deferred until April 1, 2021
- Variable loan terms
 - 3-year terms for loans up to \$5,000
 - 5-year terms for loans over \$5,000 up to \$10,000
- Application period 8 a.m. Friday September 18th through 5 p.m. Monday September 28th

Eligibility Criteria

Applicants must meet the following criteria to participate in the program:

- Up to 25 FTE (Full Time Equivalent)* making living wages
- Business operation located within the city limits
- Opened on or before October 1st, 2019
- Active Business License and in good standing with city
- Degree of hardship demonstrated due to COVID and health orders
- For profit business (nonprofits addressed with separate grant programs)
- Must not meet the definition of a Formula Business under the [Sebastopol Formula Business Ordinance](#) (25 or more establishments nationwide)
- If multilocation, business ownership must originate from within Sonoma County

**To calculate FTE: Calculate the average number of hours in a regular work week by all payroll employees and divide that number by 40.*

Required Documentation

Applicants will need to submit the following documentation with their applications:

- Current City of Sebastopol Business License
- A payroll register or similar document which provides insight into employee wage and hours worked to verify FTE calculations and living wage requirements (please redact any identifying information about your employees prior to sending this document)

Allowable Use of Funds

Use of funds from the Sebastopol City-sponsored loan program may only be used for the following expenses:

- Personnel costs (wages, benefits, 1099 contractors)
- Lease or mortgage payments
- Utilities
- Materials and supplies to help improve business' ability to comply with public health orders

The City will be granted auditing authorization to ensure that funds from this program are being utilized as intended.

Program Detail

The program makes a total of \$150,000 available to be loaned through this program. Loan payments will be deferred for 6 months, the first payment coming due no earlier than April 1st, 2021. At that time, the loan term will begin and the principal balance will be paid back by the borrower in equal installments over the duration of the loan, as determined by the loan amount. Tier 1 loans (up to \$5,000) will be paid back in a 3-year period, Tier 2 loans (above \$5,000 up to the maximum of \$10,000) will be paid back in a five year period. Interest calculated on the principal balance during the established payment schedule will be paid by the City of Sebastopol, however any late fees, penalties, additional interest, expenses beyond the term date of the loan, or any other additional expenses will be the responsibility of the borrower. While the City of Sebastopol will undersign as the guarantor of these loans, any credit implications resulting from delinquency or defaulting will be reflected on the credit of the borrower only.

The City will accept applications beginning at 8 a.m. Friday September 18th and closing at 5 p.m. Monday September 28th. Applications can only be submitted digitally due to pandemic-related safety concerns, and must be emailed to SebBizLoan@cityofsebastopol.org. Applications received after closing time on Thursday September 28th will not be considered in the program. In order to create a fair opportunity for smaller businesses to be served, the City has reserved 40% of the program for Tier 1 loans. In the event that applications exceed the total program capacity, applicants will be selected at random by lottery. If the total program funds are not claimed during the open application period of September 18 through September 28, a second application period will be announced and similar processes will be conducted for a second round of applicants.

Application for this program does not guarantee acceptance for participation or loan receipt. Additional documentation may be requested for the purposes of verifying eligibility. Falsification of answers or documentation in application for this loan program may result in legal action from the City.

The City of Sebastopol is proud to operate with a great degree of transparency and openness with its community members. As with any City program, any information relevant to this program including but not limited to applicant identities, application details, and loan amounts awarded will become public record. By participating in this program you are expressly consenting to any submitted information about your business to be shared with the public. Payment timing and schedule adherence, as well as any delinquencies, will be shared with the City of Sebastopol by Community First Credit Union as part of the regular program performance reporting.

This is a new program designed to address unprecedented challenges in our community, so your patience, compassion, and constructive feedback are greatly appreciated. We hope this program will have a lasting, positive impact on our community and look forward to collaborating with you in keeping Sebastopol as vibrant and resilient as possible throughout the pandemic!

If you have any questions about this program or need support with your application, please contact loansupport@comission.group.