



City of Bakersfield ReSTART Loan to Grant Program

Program Guidelines

Description of Program, Goals, Eligibility and Loan Criteria

On March 25, 2020, the City Council ratified the proclamation of the existence of a local emergency in response to the COVID-19 pandemic; and the Centers for Disease Control and Prevention, the California Department of Health and the Kern County Health Officer all issued shelter in place orders to enforce social distancing, prohibited group events, and taken other precautions to protect public health and prevent transmission of this communicable virus; and as a result of the public health emergency and the precautions recommended by health authorities, many small businesses and microenterprises in Bakersfield have been impacted and require assistance.

On March 27, 2020 the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed in response to COVID-19; and the US Congress authorized the US Department of Housing and Urban Development (HUD) to provide supplemental Community Development Block Grants (CDBG-CV) to the City of Bakersfield through the CARES Act.

As such, the City of Bakersfield has entered into a contractual agreement with Fresno Community Development Financial Institution, DBA Access Plus Capital a California non-profit, public-benefit corporation (SUBRECIPIENT) to administer a loan to grant program ranging from \$5,000 to \$50,000.

The loan to grant program is available to for-profit small businesses impacted by COVID-19, physically located and operating in the City of Bakersfield. The loan fund available for this program is \$1,900,000.

Goals

Small businesses in the City of Bakersfield subject to the Shelter in Place orders are in need of immediate help to stay viable under the current circumstances.

1. The program guidelines shall ensure that funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) for CDBG-eligible activities.
2. The program funds shall be completely expended within the term of the agreement, set for December 31, 2021.
3. The loans shall be made to help small businesses impacted by COVID-19 with operating costs, staffing and other operational expenses.
4. The application process shall provide privacy protection of financial and business data.
5. The application shall be easily accessible to all of Bakersfield's small business-owners.
6. The program will be widely publicized in English, Spanish and Punjabi so that no business is excluded.

Business NOT Eligible for Program Loan Funds

- Lending/Mortgage establishments
- Gambling establishments

- Not-for profit businesses
- Adult Entertainment establishments
- Pyramid establishments
- Religious organizations

Eligibility Requirements

1. Applicant must be a for-profit Business physically located and operating in the City of Bakersfield.
2. Funds are limited to (1) loan per business entity.
3. Applicant (Business) must have a current and valid City of Bakersfield Business License, and demonstrate that business has been operating for a minimum of one year.
4. Annual revenues should not exceed \$2,000,000.
5. Applicant (Business) must have 25 or fewer employees.
6. Applicant (Business) must have been negatively impacted by the COVID-19 pandemic and must be able to document a financial impact.
7. Lending/Mortgage, Gambling, Not-for profit, Adult Entertainment, Pyramid and Religious Establishments will not be eligible to apply.
8. Applicants must be an operating business, not a passive real estate entity.
9. Applicants (Business) must have no outstanding state or federal tax liens.
10. In general, an applicant must have spent all funds received from government sources, private insurance, assistance, and any other sources for the intended purpose(s), and must still have an unmet need before he or she qualifies for CDBG-CV funds. Additionally, CDBG-CV applicants must verify that no other state/federal funding is available to meet these needs in order to avoid duplication.
11. Applicant will make small good faith repayment over the first year of the loan that will include interest. If the applicant meets repayment, other Bakersfield Business License requirements, and other programmatic guidelines, the loan will then convert to a grant.

Loan Criteria

12. Grant/Loan amounts range from \$5,000 to \$50,000.
13. Grant/Loan amounts calculated at \$2,500 per employee.
14. Interest only payments for the first twelve months at an interest rate of 3%, fixed rate.
15. No Origination fee and no application fee will be required for loan applications.
16. Loans will convert to forgivable grants if a business can demonstrate they are still in operation after twelve months with employee validation & business license.
17. Loan proceeds can be used for working capital and may go toward business expenses, such as: Payroll costs, including costs for employee vacation, parental, family, medical, and sick leave, employee related insurance, rent, inventory, supplies/materials, utilities, professional services, and more.
18. Loans recipients will be encouraged to pay SUBRECIPIENT monthly, either on the 1st or 10th. Payments are due on the 1st of each month with a 10-day grace period after which a late fee is charged as follows: the lessor of 5% (< \$500 payment) of the payment or \$25 (> \$500 payment). Clients that do not make payment by the 10th of the month will be given a courtesy reminder for their payment via phone or email. Loan recipients will also be offered technical assistance to help determine cash flow issues which can be provided in-house or by outside consultants.

Program Administration

Program Launch

- Applications will be accepted for calendar period from March 15, 2021 through November 30, 2021 or until loan funds are fully deployed.
- Applications must be submitted online at www.accesspluscapital.com.
 - ***Applicants are encouraged to apply early. Applicants will receive an email notification/confirmation the application was received.***
- Administrator will promote the City's loan program through a dedicated webpage, television, radio, and social media outlets in English, Spanish and Punjabi.
- Administrator will provide loan program information and training to other economic and community development organizations, civic, and business associations encouraging them to disseminate awareness of the program to their network.
- Program information will be provided in English, Spanish and Punjabi.

Award Selection

- SUBRECIPIENT shall review applications with the City of Bakersfield to confirm applicant eligibility, including confirmation that applicant business licenses are active within the City of Bakersfield. Once verified, eligible applicants will receive an award notification via telephone or email with loan instructions.

Award Distribution

- Applicants will be notified by telephone and/or receive email notification/confirmation when the application is approved with instructions for execution of loan documents and distribution of funds
- Administrator will report the final distribution of loans to the City's Office of Economic Development; reporting shall consist of the total number of applications during the application period with the final loan distribution for each Recipient