



BUSINESS LOAN PROGRAM

Pre-Application

Name of Business:	Applicant Name(s):	Date:
Business Physical Address:		City of Santa Paula Business License #:
Phone:	Fax:	Email:

Type of Business:	Number of Employees (including Owner(s)):	Business in Operation Since:
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Amount of Funding Requested: \$	Amount of Matching Funds: \$	Source of Matching Funds:
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Briefly Describe the Project:

Return via Fax: 525-6278



BUSINESS LOAN PROGRAM

This document will briefly describe the loan program. A brief outline of the pre-application instructions, timing, and application process is also included.

BUSINESS ASSISTANCE LOANS

Funding Guidelines:

1. The business must be located within the City of Santa Paula with five employees or less, including the owner.
2. Each program requires a 1:1 match of private funds. The City will match 50% of the total project cost. (Example: If the total project cost is \$10,000, the City will loan the business owner \$5,000)
3. The Business Assistance Program is on a "first come, first service" basis. Loans will be made as long as funds are available. Once the funds are exhausted, applications will be held until more funding is identified.
4. A business plan is required as part of the application. If you do not have a business plan, assistance in developing one will be provided.
5. A \$200 application fee is required during the final stages of the application process.
6. The interest rate will be determined at the time the loan is approved. The interest rate will be the same as City's current cost of funds.
7. Two percentage points will be charged for program administration.
8. The loan payments, interest, and any fees must be paid on time.
9. All loans are fully amortized up to 10 years.

Loan Program:

Program

Description:

The primary goal of this program is to support the growth and success of small for-profit businesses (with five employees or less) in Santa Paula. This is a flexible program designed for existing and new small businesses. Additional goals include:

- 1) Assist new or existing Santa Paula businesses create and retain jobs.
- 2) Increase the City's property tax and sales tax base.

- 3) Provide businesses with the opportunity to expand.
- 4) Encourage and leverage loans to businesses by local private financial institutions
- 5) Diversify the local economy
- 6) Enhance the quality of life within the community.
- 7) Support Minority Owned Business

Total Fund: \$100,000

Type of Loans:

- Direct Loans
- Participation Loans
- Loan Guarantees

Eligibility Criteria:

Loan assistance is available to local small businesses. A **“small business” consists of five employees or less.** Most types of businesses are eligible under this program (see non-eligible list). Preference will be given to businesses using the following parameters:

- 2) The creation or retention of one job per \$10,000 loaned.
- 3) Employment of the low-income, unemployed, underemployed or disadvantaged worker such as the disabled.

Non-eligible Businesses:

The City of Santa Paula will not fund the following types of businesses:

- Discount Stores
- Pawn Shop
- Swap Meet/Flea Market
- Liquor Store
- Gun Store
- Cigarette Shop
- Fortune Teller
- Adult Bookstore

Target Areas: Loans are available Citywide

Use of Funds: Funds may be used for:

- Working Capital
- Equipment Purchases
- Inventory
- Start-Up Capital

- Direct Business Expenses

Funds may *not* be used to:

- Reimbursing costs prior to the loan being approved.
- Tenant Improvements
- Renovations
- Paying Taxes
- Refinancing Loans
- Paying Existing Debt
- Finance Lawsuits
- Reimburse Business Owners (i.e. Bonuses, Draws, Dividend Income, etc.)
- Cost associated with businesses outside of the City of Santa Paula

Loan Amounts: The minimum loan to any one business is \$5,000 to \$25,000. Priority will be given to loans leveraged by a 1:1 (dollar for dollar) match of private funds. Loan should not exceed 50% of the total project costs.

Terms: The term of the loan shall be determined on a case by-case basis; however, the maximum term will not exceed 10 years. Loans will be fully amortized, no balloon payments. Interest and payments may be deferred during the first year of loan term.

Pre-Application Instructions:

1. Fax completed pre-application to **525-6278**.
2. A current City of Santa Paula business license is required for submission of the pre-application. To obtain a business license, please call the Business License office at 933-4211.

Timing:

1. You will be contacted within 10 working day of submitting a completed pre-application.
2. The entire application process will take approximately 30-60 days. (Individual loan applications may take longer.)

Process:

1. Once program eligibility is determined, the applicant will begin the formal application process.

2. A formal business plan is required before the application can be processed. The Economic Development Collaborative - Ventura County (805-384-1800) will, at no cost to the applicant, either review or assist in the development of the required business plan.
3. Upon completion of the business plan review, the loan packaging and processing will begin. The \$200 application fee will be collected at that time.