

ORIGINAL
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ORDINANCE NO.: 2020-079

*Adopting the Revolving Loan Fund (RLF) Plan for CARES Act Revolving Loan
Fund Supplemental Disaster Recovery and Resiliency Awards*

BE IT ORDAINED by the Mayor and Council this 15th day of September, 2020 that the attached Revolving Loan Fund (RLF) Plan for CARES Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards is hereby adopted.

Requested by:

Assistant City Manager Gentry



Mayor

Approved by:



City Manager

Approved as to form:

T. A. Knox

City Attorney

ATTEST:



City Clerk

Introduced: 9/1/2020

Final Reading: 9/15/2020



APPROVED AS TO FORM


Legal Department City of Columbia, SC
8/19/2020

We Are Columbia

Revolving Loan Fund (RLF) Plan for CARES Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards

Resilient Columbia CARES Act Revolving Loan Fund Plan Summary

This Loan Fund Plan highlights how the CARES Act Revolving Loan Fund Supplemental Disaster and Recovery Resiliency Award will vary from the existing RLF Plan, included as an Appendix, and referenced below.

Resilient Columbia CARES Act Revolving Loan Fund Purpose:

Capital access remains the most important factor limiting the growth and development of small businesses. Given this constraint, the current financial environment due to COVID-19 has placed an even greater burden on local entrepreneurs who are trying to keep their businesses open in today's turbulent economy.

To "prevent, prepare for, and respond" to the economic injury attributed to the coronavirus (COVID-19), the Resilient Columbia CARES Act Revolving Loan Fund will be used to finance small businesses located within the corporate limits of the City of Columbia that have been impacted by the pandemic. Documentation providing evidence of a loss in revenue since the start of the COVID-19 is strongly suggested. Under this RLF, business owners may apply for a loan ranging from \$10,000 - \$200,000. These loans will be zero percent (0%) the first year of repayment and 2.5% fixed for the remaining loan term. Funds may be used as outlined in the existing EDA RLF plan, for the purpose of financing building construction, conversions, expansions, acquisition of land, buildings, machinery, equipment, supplies and materials or in particular cases of supplying working capital where it is deemed necessary by the RLF Committee for the City of Columbia.

In addition to the aforementioned allowable uses, loans provided under the Resilient Columbia CARES Act Revolving Loan Fund may include, but are not limited to, the development of crisis management plans, COVID-19 testing for employees; employee safety training on providing a safe and sanitary work environment to prevent the spread of COVID-19; needed modifications to business operations and facilities to accommodate social distancing; purchasing of personal protective equipment, cleaning supplies and materials or service; inventory; technology to assist with e-commerce and scheduling; and instructional signage.

For this new award, the City of Columbia will file ED-209 and loan lists according to the existing attached Plan. During the performance period of the award (disbursement phase), additional reporting is required:

1. Performance Progress Reports as described starting on Page 3 of the Specific Award Conditions

2. Federal Financial Reports (SF-425) as described starting on page 5 of the Specific Award Conditions

The EDA flexibilities allowed under this award also includes waiving the following three variances in paragraph 12 of the Specific Award Conditions:

1. Minimum interest rate for RLF loans (13 CFR 307.15(b)(1))
2. Requirement for RLF loans to leverage additional capital (13 CFR 307.15(c))
3. Requirement to document evidence demonstrating that credit is not otherwise available (13 CFR 307.11(a)(1)(ii)(H))

These three waivers apply only during the disbursement phase or for two years, whichever comes first:

To make credit more quickly and easily available to borrowers impacted by COVID-19 under the Resilient Columbia CARES Act Revolving Loan Fund, the City of Columbia will

- Waive the application fee (\$100.00) and credit check fee (\$19.00);
- Waive the loan origination Fee (1% of total amount borrowed);
- Review individual credit worthiness and when necessary, waive the minimum credit score of 600;
- Review minimum collateral requirements when necessary and assess assets on a case by case basis;
- Set loan interest rates at zero percent (0%) for the first year, then 2.5 percent (2.5%) fixed for the remaining term of the loan;
- Current CRLF Loan recipients in good standing are eligible for additional funding under the Resilient Columbia CARES Act Revolving Loan Fund at the discretion of the CRLF Committee;
- Encourage bank participation but not required; and
- Streamline the application process and documentation required for consideration.

The attached draft loan application and check list will serve as the application for the Resilient Columbia CARES Act Revolving Loan Fund. The application and documentation required will be at the discretion of the Office of Business Opportunities Director and Loan Officer(s) and specifically replace any requirements in Section 8.5 (6 -7) on page 3, Section 8.7 (1-2) on page 5, Section 8.9 (1-5) on pages 6-7, Section 8.10 (3-5) on pages 7-8, Section 8.18 (1b., 3-6) on pages 11-13) of the existing plan as allowed by the above Specific Award Conditions and administration flexibility granted by EDA. Due to economic injury experienced by our small business community and urgency in providing this financing, the materials required for this new fund have been modified to accommodate variances due to the pandemic.

All other terms and conditions that are not hereby included are to remain in full force and effect unless allowed by EDA or CARES Act regulatory changes.



Resilient Columbia CARES Act Revolving Loan Application

For Office Use Only:	
SIC CODE	_____
Council Dist	_____
Zoning	_____
Date Received	_____
OBO Staff Initials	_____

Company Name: _____ Date Established: _____
(Please Print)

Street Address: _____ Federal Tax ID# _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____ E-mail: _____

Form of Ownership: Sole Proprietor___ Corporation___ Partnership___ Type of Business _____

Are you currently a party to any lawsuits or pending lawsuits? _____

Are you currently in or have you ever been in bankruptcy? _____

Please note credit score will be evaluated in application process and considered on a case by case basis. Up to two credit reports may be required for score verification.

OWNERSHIP INFORMATION *(List below all owners and officers, directors, partners, with 20% or more total stock)*

Owner(s) Name (Please Print) Social Security #(Required) %Ownership Title # Years with Company

PRINCIPAL OFFICER (S)/MANAGER (S)

Name Title # Years with Company

Is this business a Start-up or seeking an Expansion? _____
 If this is an Expansion, what is the current number of employees? _____ (Upon approval, a detailed demographic report will be required)

What is the projected number of new employees after start-up or expansion? _____

What type of Business Insurance do you currently have? _____

Current Financial Institution(s) Contact Person Phone #

SOURCES OF TOTAL PROJECT COST

Total Projected Cost: *(List detail on reverse)* \$ _____ *(This should equal the three (3) sources listed below.)*

Owner Funds: \$ _____ Bank Loan: \$ _____ City Loan: \$ _____

Purpose of Loan (s): _____

Target Date for Loan (s): _____

Applicant Representatives' name, address & phone:

Bank contact: _____

Attorney: _____

Accountant: _____

CONSTRUCTION PROJECTS ONLY COMPLETE THIS SECTION

Is this a construction project? _____

Please attach the following information to this application for all construction projects, including remodeling and up-fit:

- _____ Plans and Specifications of Proposed Construction
- _____ Architectural and Engineering Drawings of Proposed Construction
- _____ Detailed Construction Estimate from a Contractor to Include all Costs



We Are Columbia

Office of Business Opportunities, 1401 Main St, 4th Floor, Columbia, SC 29201 • Phone: 803-545-3950 • Fax: 803-255-8912

Resilient Columbia CARES Act Revolving Loan Fund

Expedited Loan Documentation Checklist

In order to evaluate your loan request, you are required to submit the following documentation at the time of application. Please check all items, sign, date and return with application.

- Complete Resilient Columbia RLF Loan application**
- City of Columbia Business License**
- Business Plan or Narrative of the Business** – Information will be used to verify applicant’s knowledge of the business & industry, current business goals, reasons the goals are attainable, and plans for reaching those goals.
- Business Cash Flow Projections for 12 months** – can be based on the business plan, a standard template is available on the OBO website at www.columbiasc.gov/obo/commercialloans

Please check one:

- Startup Business** - *Startup Balance Sheet*, a standard template is available on the OBO website at www.columbiasc.gov/obo/commercialloans
- Existing Business** - *Balance Sheet and Income Statements for Past Two (2) Fiscal Years*, not less than 60 days old
- Two (2) Most Recent Years Tax Returns (Personal and Business)** with all schedules and W-2’s for all filers.
- Signed and Dated Personal Financial Statement (PFS)** to indicate whether principal has financial strength outside of business, a standard template is available on the OBO website at www.columbiasc.gov/obo/commercialloans.
- Two Most Recent Bank Statements (Personal and Business)**
- Resume of Applicant(s)**
- Copy of Drivers’ License or Other Government Issued Photo ID for all Applicants**

Applicant Signature

Date

Applicant Signature

Date