



COVID-19 Emergency Business Loan and Grant Fund Frequently Asked Questions

Questions about Funding Availability and Eligibility

Q How much funding is available?

A The City has allocated \$5 million dollars for COVID-19 Emergency Business Loans and Grants from proceeds of the City's ½ cent sales tax for economic development. The City has awarded about half the funding in the first round of applications and is now opening a second round.

Q Who is eligible to apply for funding?

A To be eligible to apply for funding, a business must 1) be located within the City of Pueblo or within Pueblo's Airport Industrial Park; 2) hold a current City of Pueblo business license; 3) be current on all financial obligations to the City of Pueblo; **and** 4) be able to demonstrate through financial records that it has been negatively impacted by the COVID-19 pandemic.

Q How long does my business have to apply for funding?

A The second application round will be open until 11:59 pm local time on Friday, June 5, 2020.

Q If my business applied for funding in the first application round, may we apply again in the second round?

A No; only businesses that meet the criteria listed above **and** that did not apply in the first application round are eligible to apply.

Q What if my business is behind on paying City sales tax or other city obligations?

A If your business has recently fallen behind on paying sales tax, the amount owed can be taken from the proceeds of a loan or grant, if awarded. Other outstanding City obligations would need to be brought current as well; grant or loan funding may be considered for this use as well.

Q Can a business apply for both a loan and a grant?

A Yes.

Q What if I've applied for – or received – federal or state funding related to the COVID-19 pandemic?

A Loans or grants under this program may not duplicate state or federal funds created in response to the COVID-19 pandemic. Your application will include a disclosure of any other COVID-19-related funding that you have applied for or received.



Questions about Applying for Loans and Grants

Q How can I apply for funding?

A Please visit the City of Pueblo's website at www.pueblo.us and click on the link in the bright orange box to request an application.

Q Why do I have to request an application? Why isn't the application on the website?

A Processing applications and agreements that contain confidential information is a little more complicated during this period of social distancing. We are committed to protecting your personal and business financial information throughout the application process. Because of this, we are using DocuSign to keep your documents and information secure throughout the process. Following your request for an application, you will receive an email inviting you to complete your application on DocuSign. Each step along the way, the communications you receive from the City will have instructions to make the process as simple as possible for you.

Q How will the City decide who gets emergency business grants and loans?

A The Mayor has appointed a three-member committee of advisors – local persons experienced in banking and business – who will review the applications and make recommendations to the Mayor on awards for loans and grants.

Q What are the criteria for emergency business grants and loans?

A The three-member committee will evaluate applications on a number of factors including: 1) how much the COVID-19 pandemic has financially impacted the business; 2) how much the COVID-19 pandemic has impacted the business's sales and the City's sales tax revenue; 3) the likelihood a grant or loan would assist the business in becoming and remaining viable beyond the COVID-19 pandemic. **It is recommended that you emphasize these factors in your application.**

Q What can I use emergency business loan and grant funds for?

A Funds can be used for capital needs, including 1) an improvement project of a permanent/fixed nature; 2) acquisition of both real property (through purchase or lease); 3) purchase of tangible personal property, including inventory; 4) construction, extension, remodeling or rehabilitation of buildings where individuals are employed or where machinery or equipment are housed; 5) the installation or extension of streets, sanitary sewer, water, or other utilities required to serve a project; and 6) operational expenses including business rent or mortgage payments and supplies for business operations. **Funds may not be used for staff or payroll expenses.**

Q What will be the terms for emergency business loans?

A The loans will be for a period of five years, with 1% interest, amortized over 60 months, with monthly payments beginning one year after the date of the Loan Agreement.

Questions about funding awards

Q How long will it take to notify businesses about awards?

A We anticipate making second round awards in June.

Questions about using the funding

Q If our business receives a loan or grant, how long do we have to spend the funds?

A Your business will need to spend all grant or loan funds by September 30, 2020 on eligible expenses according to your grant or loan agreement.

Q If our business receives a loan or grant, what are the reporting requirements?

A Your business will need to submit a report by October 31, 2020, detailing how you spent the funds according to our loan or grant agreement, including proof of expenditures.