



CITY OF GLENDORA
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 www.ci.glendora.ca.us

ECONOMIC DEVELOPMENT LOAN/GRANT

**Small Business Loan
 Micro-Enterprise Program**

This handout provides general information on the Economic Development Loan/Grant Program. It is intended to give an overview of the programs benefits and requirements. For more detailed information, please contact the Economic Development Specialist at (626) 914-8292.

Program Summary

The Economic Development Loan/Grant Program is a forgivable loan program created to assist with the attraction and startup of new businesses and to provide assistance to existing businesses looking to expand their current operation. The program is part of the City’s Business Retention and Attraction Program.

Funding for the program is through the Community Development Block Grant Program (CDBG). Due to the federal funding source, the program requires the funded activity to provide a benefit to low- to moderate-income (LMI) persons. This requirement can be met through job creation or limited clientele - if the business owner is a LMI person.

Program Details

The program requires a measurable benefit to LMI persons. The business and/or the jobs created will be monitored for one year from the job count start date. If compliance is met, the loan/grant will be forgiven with no repayment required. The program will fund up to 75% of project costs, with the applicant showing proof of funds for the remaining 25%.

Micro-Enterprise Program		Small Business Loan	
Business Size:	5 or less employees (including owner)	Business Size:	More than 5 employees
Program limits:	\$5,000 to \$25,000	Program limits:	Program limits: \$25,000 to \$75,000
Requirements:	Job Creation unless the owner certifies their status as LMI.	Requirements:	One Job Created per \$25,000 of funds received.
Both Micro-Enterprise Program and Small Business Loan			
Use of Funds:	Equipment/Machinery Purchase and Installation; Inventory; Working Capital; Start-Up Costs; Tenant Improvements; Exterior Improvements.		
CDBG Requirements:	Funds are provided to for-profit businesses to benefit a low- to moderate- income person, and/or to create one full time equivalent job for each loan awarded.		

Eligibility Requirements

- Business location must be within the City of Glendora
- Commercial property owners and business lessees
- Applicant must demonstrate that the assistance is necessary for the project and new job creation
- Business must agree to meet a CDBG National Objective
- Property taxes must be current and kept current
- Buildings must conform to the General Municipal Code
- Business category must be a permitted use within its zone designation
- Completed application with all supporting documentation

Application

The application must be completed and must have the following attached information:

- City Application Packet with all forms completed
- Application is subject to analysis to determine risk; financial statements and supporting documentation are required with application.
- Proof of ownership or a Copy of the Lease with Owner Authorization for any proposed property improvements
- Description of applicants business
- A description of the project (i.e. a concept plan)
- A preliminary budget, estimate of costs and the amount of time necessary to complete
- Proof of funds necessary to finance applicants share of the project
- Explanation of how the use of funds will assist with creating jobs for low and moderate income persons, or
- If under the Micro-Enterprise Program the business owner is a LMI person, self-certification of LMI status is required, financial documentation submitted will verify certification.

No work or purchases shall take place prior to written authorization from the City.

Once the application is received, staff will review and make a determination of conditional approval or denial. Review time is estimated to be up to two months. Additional documentation and procedures will be facilitated by the City staff prior to issuing a Notice to Proceed.

Conditions for Participation

- Each applicant accepted for participation in the Economic Development Loan/Grant Program will be informed of the award via a letter from the City. The applicant will be required to execute a loan agreement representing the applicant's responsibilities and the City's contribution to the project. The agreement will confirm the applicants understanding of the conditions and the agreement to comply with the requirements of the Program.
- All funds should be disbursed within twelve months of approval.
- One full-time equivalent job must be created per \$25,000 funds received. Job start should be after execution of the Loan Agreement and within the twelve months thereafter. Job(s) will be monitored for 12 full months.
- A quarterly report documenting the job(s) created is required throughout the compliance period.
- Owner must maintain and provide proof of property insurance.
- Property taxes must be kept current throughout the program and monitoring period.
- If the property owner (loan recipient) violates the Program requirements, the City may demand immediate repayment of the grant
- A form of collateral may be required. Collateral to be considered includes real estate, personal property and/or personal or business guarantees.

Any improvements to the property must be in accordance with the Glendora Municipal Code and associated design guidelines. Any work requiring a contractor shall comply with the Davis-Bacon and Related Acts. Contractor wages must be equal to or greater than prevailing wages. Approval and permits, when applicable, from the Planning and Building Departments will be required. All code violations must be corrected so as to comply with the most current adopted building code of the City.

For more information, please visit www.cityofglendora.org/business-assistance or contact the Economic Development Specialist to discuss your individual project.

Contact Information:

Economic Development Specialist

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(626) 914-8292

Building Department

(626) 914-8223

Planning Department

(626) 914-8214

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