

April 2, 2020 - Economic development Advisory Council meeting 7:45 AM to approximately 930 .

First let me state that this meeting had an overload of information and I'm going to do my very best to outline it here to provide you with resources that you can use.

First speaker Danny Fitzgerald from the SBDC They can help you with

- one on one counseling
- they also operate a women's business center
- they also offer training sessions online .

You can utilize their help with the following items:

- SBA disaster loans
- EIDL loans which include the \$10,000 advance
- Payment Protection Program otherwise known as the PPP. This is brand new coming out today though it has been spoken of previously and policies regarding the PPP are still being finalized.
- They also offer assistance with city and County programs that are in the works .

Some of the points they wanted to make sure to get to us were:

- Be sure that you contact your current creditors and request a deferral. If you currently have a guaranteed loan this process will be simple because a memorandum has already been created regarding deferrals
- important information regarding the requirements for capital assistance: these are things that you will need to have available immediately in order to acquire assistance
 - 2019 financials by month
 - gross sales
 - your core fixed expenses
 - Cost of goods sold if applicable
 - payroll
 - Financials for 2020 to date January through February is important and this allows a prediction of the impact. Contact your payroll provider if needed and get as much information on March as you can.

They have received many inquiries with concerns about credit they stated that the credit history check and requirements are **very, very** loose and everyone should apply even if they feel that they will not qualify .

If you are an independent contractor that files a schedule C you are eligible. They used Uber drivers as an example as someone who is eligible. Loan amounts are up to two million there's a 30 year term.

This is just a survival loan it is not a loan to purchase new equipment or to do new things with. This program is designed to help keep you in business by covering core costs

They wanted to make sure that people understood that the EIDL loans come from the US Treasury you may visit this website for additional information <http://covid19relief.sba.gov/>.

They warned about being aware of scams and indicated that the feds will not email you to tell you that you should be applying for their loan. They further said that you could verify I'm making sure that any email you receive has a.gov email address.

They indicated that your financial records needed are in odd dates and they should be available from February 2019 through January 31st 2020 and once again gross revenue and cost of goods sold will be required other information required will be

- Your EIN
- the business start date
- the date that you took over ownership and
- all owners of the company including owners that have as little as 20% in the company

Apparently it is expected that the \$10,000 advance that has been so well publicized lately should only take three days to receive once the application is **completed** . Also there is an on-demand video webinar that will guide you through the application process.

You should contact your own bank for this assistance there is going to be an oversubscription to this type of service and you are going to get better results going to the financial institution that you already work with. You can apply for 2.5 of your fully loaded payroll including health care and up to 8 weeks can be forgiven. **They did indicate that there will be much paperwork involved when applying to have the loan forgiven. So be sure to keep meticulous records to help with the process.**

They recommended that you apply for both loans the EIDL and the PPP and they are absolutely different forms and applications applying for one does not automatically apply you for the other .

Second speaker Katie Fox an attorney in San Diego that specializes in employment law

There are new laws that are effective yesterday and today April 2nd 2020 effective 4/1 is Families First Coronavirus Response Act. You may learn about that – here

<https://www.uschamber.com/co/start/strategy/families-first-coronavirus-response-act-guide>

All employers with less than 500 employees are required to comply. There are some exceptions for businesses with less than 50 employees if they can provide evidence that doing so would jeopardize the viability of the business. There are many different requirements with this act and will depend on whether or not your employees have children because child care, now that schools are closed is a covered part of the act. The act also provides that you must restore your employee after this leave to their regular pay and previous position.

- paid sick leave is for two weeks for all part time and full time employees. as it relates to part time two weeks of their average hours is required.

The state of California is under the shelter in place so therefore all employees in California are covered under this act .

The speaker expressed the importance of having a plan or policies in place for your at home workers .

This includes setting forth expectations. It also includes discussing reimbursement for any materials that the employee purchases in order to perform their work at home , office chairs were given as an example.

During the Q&A section people asked about exceptions and once again the proof of business viability would be required to get you any exception to this rule.

- When asked about non Covid family leave the lawyer advised to error on the side of caution. In order for the emergency family leave act to be implemented the leave must be Covid related.
- it was also stressed that you cannot work and claim unemployment . Later in the call this is addressed again noting some exceptions .

Speaker – Lori Ganz The San Diego workforce partnership

This organization is where you're going to find resources. They are funded by the city and by the federal government. **Their primary purpose is to help you navigate the resources available to you and to help guide you.**

Employers and workers alike can visit their website <https://workforce.org/> - At the very top there are links for businesses and for workers, specifically. They also offer webinars three times a week you may sign up for them on their website.

The speaker did talk about having direct Contacts with employers that are hiring. But she further went on to talk about how many people are in their work bank. While I would not miss the opportunity to sign up for the work bank, it seemed that they had quite an excessive amount of people already signed up .

She mentioned the San Diego foundation as a resource for nonprofit organizations to receive assistance. They have many links available also on their side for the EDD and information about partial claims for unemployment and about a work share program . She also indicated that calling 211 would offer people great resources as well

Speaker Jason from congressman Scott Peters office

you will find resources at their website <https://scottpeters.house.gov/> They are working to keep resources as up-to-date as possible. This gentleman offered a pretty good breakdown of the different categories of financial assistance .

1. The SBA loan/ EIDL funds are from the SBA
2. PPP loans are from a private lender but the loans are then guaranteed by the SBA. As referenced above, you should contact your current financial institution. The banks work better with their current customers.
3. The IRS tax programs which include the employee retention credit, payroll tax credits and deferrals

He also indicated because this is considered a catastrophic event that bankruptcies have been streamlined so that you may restructure for a successful return .

He strongly recommended before you make any decisions on what type of loan you will receive or what kind of financial assistance you will receive that you consult with an attorney and or an accountant because all of these have tax implications and he didn't want you to make a decision based on the stress of the current situation that may have long-term consequences .

During the Q&A section for this speaker there was questioning about the loss of income not being paid by insurance because viruses are specifically excluded.

He indicated that there was currently no federal policy to address this. He recommended that you contact your insurance agents because he says that they are trying to work with their people. He also further recommended to contact your personal federal representative to express the difficulties once again he reiterated that because of California being in a shelter in place mandate, family medical leave applies to anyone who has a child because the schools are closed

RENT ABATEMENT: Because each state is different regarding their shelter in place and quarantine mandates there is no federal guidance on rent abatement. He indicated that this will be a state and local issue. once again this is based on the fact that mandates are different across the country and therefore a federal mandate is not in place.

The next speaker was from Kevin Faulkner's office and therefore most of what he talked about applied to this city such as the eviction moratorium deferral of rent on the Covid issues. Their rental deferment is only for six months from the date of 3/25/2020 .

County property taxes and the deferment of such are being handled on a case by case basis. Meaning that there is no mandate or act currently in effect

I realize that this is a lot of information. I believe the best thing that has come out of this conference call is resources of where you can go to get what you need for your particular situation. The general consensus is that everyone is clamoring and therefore wait times will be longer than we hope they will be for example the small business relief package received 6000 applications and there is currently only \$6,000,000 in that account for benefits.

Please be sure to visit our webpage at <https://visitjulian.com/member-covid-19-resources/> For links that you can use. It is updated regularly.

Submitted by Robin Boland, Chamber Board of Directors Member