



Updated 1/11/2021

Coronavirus Business Resource Guide

If you are a business owner or employee of a business that has been affected by the Novel Coronavirus (COVID-19), check here for information about your next steps.

In partnership with Stanislaus County, County Health Services Agency and the Valley Sierra Small Business Development Center, the City of Modesto has compiled a comprehensive list of local, state and government resources and benefits for businesses and employees affected by the emerging situation. Resources listed below include potentially available funding for working capital for small business, public health information links, workforce resources and how to help employees affected by Coronavirus.

CHECK THESE RESOURCES FOR CURRENT INFORMATION

- 1/11/21: The “Second Draw” of the Paycheck Protection Program PPP is open for applications starting January 11, 2021. Businesses are encouraged to connect with lenders and get their applications ready ASAP. Follow www.sba.gov for continuing information. Here is some timely information provided by a reputable advisor. This section is longer than usual for this resource document but may help answer some of your questions quickly to help you get your application ready:

Paycheck Protection Program Round 2 (PPP2)

Where To Apply

- Applications for PPP are made through private financial institutions approved for lending by the SBA (*banks, credit unions, and financial technology companies*)
- You will complete the entire application through these private lenders’ application websites.
- You do **not** need to have an existing bank account in order to apply with a lender.
- Lenders may take some time to updated their application websites for PPP2. Please check often to apply in time.
 - Feel free to search anticipated lenders on this [List of 2020 SBA Lenders](#).
- We have found that applying through Financial Technology (“*FinTech*”) company lenders have been the most responsive to “micro” small businesses under 50 employees. These include but are not limited to companies such as:
 - Blue Vine: <https://www.bluevine.com/paycheck-protection-program/>
 - Cross River: <https://www.crossriversba.com/>
 - Fundbox: <https://fundbox.com/paycheck-protection-loan/>
 - Funding Circle: <https://www.fundingcircle.com/us/paycheck-protection-program-loans/>
 - Paypal: <https://www.loanbuilder.com/ppp-loan-support>

When to Apply

- **Monday, January 11th**: first-draw PPP Loans from CDFIs
 - “Shortly thereafter” all lenders will be able to issue first draw PPP loans (*Look out for updates from our office*)
- **Wednesday, January 13th**: second-draw PPP Loans from CDFIs
 - “Shortly thereafter” all lenders will be able to issue second draw PPP loans (*Look out for updates from our office*)
- Loans will close on **Wednesday, March 31st, or when funds run out.**

Second-draw PPP loans

If you received a PPP loan in 2020, you can apply for a “second-draw” if you meet **all** criteria below:

- Have 300 or fewer employees.

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- Used or will use the full amount of your PPP1 loan before receiving PPP2; used PPP1 loan only on eligible costs.
- Suffered a 25% or more drop in revenue when comparing any 2020 quarter to the same 2019 quarter.

First-draw PPP loans

If you have not received a PPP loan before, you can apply for a “first-draw” if you meet **all** criteria below:

- Established on or before Feb 15, 2020 (“pre-pandemic”)
- Have 500 or fewer employees.
- Are one of the Eligible Organization Types.

Eligible Organization Types

- Corporations (*C-Corp, S-Corp; LLC; etc.*)
- General Partnership
- Sole Proprietorship
- Independent Contractor
- Self-employed Individual
- 501(c)(3) nonprofit
- 501(c)(6) nonprofit
 - 501(c)(6) must be 300 or fewer employees
 - 501(c)(6) lobbying activities cannot exceed \$1 million or 15% of the organization’s total activities
- 501(c)(19) veterans organization
- Tribal Business

Calculating Total Loan Amount

- Maximum loan amount is 2.5 times of your average monthly payroll expenses for the year 2019.
- This includes any retirement and health insurance contributions.
 - As a business or nonprofit with employee payroll, most lenders will calculate your average monthly payroll through your 2019 IRS form 941.
 - As an independent contractor, most lenders will calculate your average monthly payroll through your 2019 IRS form 1099.
 - As a self-employed individual, most lenders will calculate your average monthly payroll through your 2019 Schedule C (*also referred to as Form 1040*).
- Calculating Seasonal Businesses
 - For seasonal businesses, you may calculate average monthly payroll using the following periods:
 - February 15, 2019 – June 30, 2019
 - March 1, 2019 – June 30, 2019
 - January 1, 2020 – February 29, 2020 (only if you were not in business from February 15, 2019 – June 30, 2019)
- Increased Assistance for Accommodation and Food Services Businesses
 - For borrowers in the Accommodation and Food Services sector, the maximum loan amount for a Second Draw PPP Loan is increased to **3.5x** average monthly 2019 or 2020 payroll costs up to \$2 million.
 - Applies to all business with an NAICS Code beginning in “72”. (*click [HERE](#) to explore the eligible types of businesses*)
 - Only applies to Second-draw PPP loans, **not** First-draws.

Eligible Costs

- Payroll (**must** make up at least 60% of all costs)
- Rent

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- Mortgage interest
- Utilities
- Certain costs to comply with COVID-19 federal health and safety guidelines. (*facility modification costs, employee PPE, etc.*)
- Certain property damage costs related to vandalism or looting due to public disturbances in 2020 that were not covered by insurance.
- Costs to pay suppliers that are essential to your current operations.
- Certain operating costs to purchase business software or tech services that allow you to perform socially distanced operations. (*product or service delivery; digital or online sales; digital payment, payroll, human resources, accounting, inventory, records, etc.*)

Full Forgiveness Terms

The 1% interest, 5-year loan will be fully forgiven if you meet **all** criteria below:

- Must spend funds once you receive them over a “covered period” of 8- to 24-weeks. Must spend funds on eligible costs only.
- Must spend at least 60% of the funds on payroll.
- Must rehire all of your employees at their normal rates. (*with exceptions if they refuse/are unable*)

Simplified Forgiveness Process

- This new process applies to both old **and** new PPP loans.
- If you receive a PPP loan of \$150,000 or less, the forgiveness process will include a signed certification that is not more than one page in length.
- The SBA has yet to create the simplified application form but must do so by Jan. 20, 2021.
- You are required to retain relevant records for four years, as the SBA reserves the right to audit loans to check for fraud.

Other Important Changes to PPP

- Congress made clear that a forgiven PPP loan is **completely tax-exempt** and is not taxable income.
- Eligible business costs paid for with PPP funds **can** now be claimed as business expenses in your taxes.
- You are now allowed to apply for both a PPP loan **and** take advantage of [Employee Retention Tax Credit \(ERTC\)](#).
- Employee health insurance benefits are now included in PPP payroll calculations. (*including life insurance, disability benefits, vision, dental, etc.*)
- If you received PPP and the EIDL Advance (*emergency SBA funds of \$1,000 per employee*), you do **not** have to reduce your PPP loan forgiveness by the EIDL Advance.
- Set-Asides for minority, underserved, veteran, and women-owned businesses.
Out of the \$284 billion total, there will be certain pots of PPP funds set aside for new and smaller borrowers, and for community and smaller lenders:
 - \$15 billion across first- and second-draw PPP loans for lending by community financial institutions;
 - \$15 billion across first- and second-draw PPP loans for lending by insured depository institutions, credit unions, and Farm Credit System institutions with consolidated assets of less than \$10 billion;
 - \$35 billion for new first-draw PPP borrowers; and
 - \$15 billion and \$25 billion for first-draw and second-draw PPP loans, respectively, for borrowers with a maximum of 10 employees or for loans of less than \$250,000 to borrowers in low- or moderate-income neighborhoods. The SBA has determined that at least 25% of each of those set-asides will go to each one of the groups: loans to borrowers with a maximum of 10 employees and loans of less than \$250,000 to borrowers in low- or moderate-income neighborhoods. /END



- 1/4/21: The application deadline for Round 1 of the **California Small Business Relief Grant** program is 11:59PM on January 13, 2021. Grants for underserved and/or small businesses up to \$25,000 are available. Complete information on how to determine your qualification and apply is at the [California's SBDC](#) website.
- As of December 8, 2020 1010 Tenth Street is closed to the public per the [California Public Health Stay at Home Order](#), until the order is ended.
- As of December 1, 2020 the State of California is accepting registrations by small businesses for new-hire tax credits of \$1,000 per hire made between July 1, 2020 and November 30, 2020. Refer to program information for the [Main Street Small Business Tax Credit](#).
- Starting October 26, 2020, applications are open for the [WorkSafe Stanislaus](#) COVID-19 Safe Reopening Assistance for Business program. The WORK Safe Stanislaus Reopening Assistance Program is a \$500,000 total award program that is designed to assist businesses that have been adversely affected by COVID-19 through reimbursement funds for Personal Protective Equipment and other related equipment/service that were necessary purchases to keep the business open and from laying off employees. This program is funded through the Workforce Innovation and Opportunities Act and funds will be awarded on a first come, first served basis.
- Effective 8/31/2020, [California Blueprint for a Safer Economy](#) introduces new classification categories for severity of coronavirus spread, and updates restriction guidelines for all business and activity types by county. County by county guidance is available on the [California COVID-19 site](#).
- [Stanislaus County website](#) for the most up-to-date information about how to prepare and understand how our region is being impacted.
 - Learn about [Stanislaus County \\$10 million business grant program](#) that is accepting applications starting July 31, 2020 at 8:00 am through August 28, 2020 at 5:00 pm. Grant funds are intended to be used for operational needs such as payroll, lease/mortgage payments, materials, supplies, and services.
 - Check out the [Stanislaus County Workforce Development SnapBack Assistance for Workers](#) program.
- For California business relief and related issues, go to <https://www.CABizRelief.org> and <https://business.ca.gov/coronavirus-2019/>
- Small Business Administration, for finance programs including the Paycheck Protection Program - <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
 - **Lender search for PPP loans:** <https://www.sba.gov/paycheckprotection/find>
- Many COVID-19 business answers and resources are available at the California Association for Economic Development website
- Unemployed? Check out this job matching site: <https://onwardca.org/>

FOR AFFECTED BUSINESSES

<https://www.modestogov.com>



Financing

- [City of Modesto Small Business Assistance Program](#) (SBAP), for business fee and tax deferral, and zero-interest forgivable emergency loans up to \$10,000. The application period ended at midnight, May 14, 2020.
- U.S. Senate Committee on Small Business and Entrepreneurship - "The Small Business Owner's Guide to the CARES Act" - <https://www.sbc.senate.gov/public/index.cfm/guide-to-the-cares-act>
- The U.S. Treasury Paycheck Protection Program - <https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>

Applications closed on June 30, 2020.

- IRS Employee Retention Tax Credit - <https://www.irs.gov/coronavirus/employee-retention-credit> this program can provide fast assistance to employers whose businesses are impacted by COVID-19. Offering tax credits up to 50% on certain taxes, and retroactive to March 12, 2020. If you have already overpaid employment taxes, you may be able to get a credit very quickly. If you have received a PPP loan, your business is ineligible.
- The [U.S. Small Business Administration](#) announced the availability of low-interest federal disaster loans (up to \$2 Million) for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. A March 13, 2020 webinar hosted by the SBA, the Small Business Majority, America's Small Business Development Centers, and the California Employment Development Department covers useful information and resources for business. [Access the webinar presentation slides](#) or [View the on-demand webinar](#).

SBA Loans will be based on the existing SBA Economic Injury Disaster Loan (EIDL)

- The SBA administers the Economic Injury Disaster Loan (EIDL) Program to lessen the economic burden on small businesses.
- This program provides relief from economic injury caused directly by the disaster and permits the business to maintain a reasonable working capital position during the period affected by the disaster:
 - Small businesses and small agricultural cooperatives who suffered substantial economic injury may be eligible for the EIDL Program.
 - Substantial economic injury is the inability of a business to meet its obligations to pay its operating expenses.
 - These loans help meet financial obligations a business could meet if the interruption to business did not occur.
 - SBA is allowing businesses to forecast economic losses due to events that bring in high revenues being canceled due to the COVID-19.

Loan Criteria

- Some criteria from the traditional SBA Economic Injury Disaster Loan (EIDL) program will apply for COVID-19 loans:
- The SBA only provides EIDL assistance to businesses that SBA determines are unable to obtain credit elsewhere.
- The loan amount will be based on the business' actual economic injury and financial needs.
- The interest rate on EIDLs cannot exceed 4 percent per year, and are currently set at:

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- 3.75% for small businesses
- 2.75% for nonprofits
- The term of the loans cannot exceed 30 years.
- Terms and conditions will be determined by the business's ability to repay the loan
- Working capital loans up to \$2 million for economic support and to help overcome temporary revenue loss
- Loan repayment can extend up to 30 years.

How to Apply for a Loan

- To be eligible for assistance, a county needs to be approved by the SBA for an Economic Loss Declaration. That county and all contiguous counties are then eligible. Stanislaus County is eligible because it is identified as a contiguous county.
- Businesses may apply for assistance at <https://disasterloan.sba.gov/ela/Account/Login>
 - Follow the SBA Three Step Process - https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf
[Three Step Process SBA Disaster Loans.pdf](https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf)
- [California IBank](#) has low-interest and state-guaranteed business loans and microloans for small business borrowers who have been impacted by regional disasters and who need term loans or lines of credit for working capital.
- The [California Capital Access Program](#) (CalCAP) for Small Business encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. If you own a small business and need a loan for start-up, expansion or working capital, you may be eligible for this program. CalCAP is a loan loss reserve program which may provide up to 100% coverage on losses as a result of certain loan defaults. Loans are available up to \$5 million.

State of California Tax Relief

- General Tax Assistance: Pursuant to Governor Newsom's Executive Order, through May 11th, the California Department of Tax and Fee Administration (CDTFA) has the authority to assist individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19. Please visit <https://www.cdtfa.ca.gov/services/covid19.htm> to get in touch with CDTFA.
- Payroll Tax Extension: Employers experiencing a hardship as a result of COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest. A written request for extension must be received within 60 days from the original delinquent date of the payment or return. Please visit http://www.edd.ca.gov/about_edd/coronavirus-2019.htm to learn more.
- Income Tax Extension: The Franchise Tax Board (FTB) administers two of California's major tax programs: Personal Income Tax and the Corporation Tax. FTB's COVID-19 relief responses include moving the various tax filing and payment deadlines. Partnerships and LLCs with tax returns are due on March 15 now have a 90-day extension to file and pay by June 15. Individual filers whose tax returns are due on April 15 now have a 60-day extension to file and pay by June 15. Quarterly tax payments due on April 15 now have a 60-day extension to pay by June 15. The FTB will also waive interest and any late filing or late payment penalties that would otherwise apply. Visit <http://www.ftb.ca.gov/> to learn more.

Regulatory Relief

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- Offsite sale of alcoholic beverages by onsite licensees - <https://www.abc.ca.gov/notice-of-regulatory-relief/> ; this has been updated with a fourth notice of regulatory relief - <https://www.abc.ca.gov/fourth-notice-of-regulatory-relief/>

Public Health Agencies

- The [State of California](#) is actively working with the White House, Centers for Disease Control and Prevention (CDC), local governments, health facilities, and health care providers across the state to prepare and protect Californians from Coronavirus.
- The Stanislaus County Health Services Agency (HSA) continues to work closely with other health departments, the California Department of Public Health (CDPH), and the Centers for Disease Control and Prevention (CDC) to monitor the 2019 Coronavirus. The information and requirements pertaining to Coronavirus may change as more is learned about this virus and its transmission. Additional information, status reports, and website links can be accessed at <http://schsa.org/publichealth/pages/corona-virus/>.
- [Centers for Disease Control and Prevention](#)
- [World Health Organization](#)
- [Cal/OSHA](#)

Workforce Resources

- The California [Labor & Workforce Development Agency](#) (LWDA) wants to keep workers, employers, co-workers, and families safe. What employees are entitled to may be confusing. The LWDA is trying to make it easier and spread awareness through a centralized source of information with regards to topics such as: paid sick leave, disability and unemployment insurance, workplace health and safety guidance and employer assistance. Use the guidance on their website to determine what is best for you, your family and your workplace.
- The [California Labor Commissioner's Office](#) has listed basic information with relation to employee leave options, compensation and salary.
- For information about job protection and employment discrimination, visit the [California Department of Fair Employment and Housing](#) website.
- The [Employment Development Department](#) (EDD) provides a variety of resources for employers who anticipate a reduction of work hours or potential closure or layoffs as a result of Coronavirus. Employers experiencing a hardship as a result of Coronavirus may also request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest. For question, employers may call the EDD Taxpayer Assistance Center at (888) 745-3886.

Regional Partners

- [California State Association of Counties](#)
- [Valley Sierra Small Business Development Center](#)
- [Small Business Majority](#)

FOR EMPLOYEES OF AFFECTED BUSINESSES

Unemployed? Job Matching Site: <https://onwardca.org/>

Unemployment and Paid Family Leave Claims

<https://www.modestogov.com>



The [Employment Development Department](#) provides a variety of support services to individuals affected by the Coronavirus in California.

- Sick or Quarantined: If you're unable to work due to having or being exposed to Coronavirus, you can file a [Disability Insurance](#) (DI) claim. DI provides short-term benefit payments to eligible workers who have full or partial loss of wages due to non-work-related illness.
- Caregiving: If you're unable to work because you are caring for an ill or quarantined family member with Coronavirus, you can file a [Paid Family Leave](#) (PFL) claim. PFL provides up to six weeks of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member.
- Reduced Work Hours: If your employer has reduced your hours or shut down operations due to Coronavirus, you can file an [Unemployment Insurance](#) (UI) claim. UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own.
- Layoff Alternatives: [Partial claims](#) are for employees whose employers want to keep them when there is a lack of work. A partial Unemployment Insurance claim can be used for any claimant who works less than their normal full-time hours, and whose employers want to keep them.

Notice of Compliance under the Americans with Disabilities Act

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA) of 1990, the Fair Employment & Housing Act (FEHA), the Rehabilitation Act of 1973 (as amended), Government Code section 11135 and other applicable codes, the City of Modesto ("City") will not discriminate against individuals on the basis of disability in the City's services, programs, or activities.