

RECAP: County of San Diego Update for the Business Community February 3, 2021

The Small Business Administration joined the County Business Sector Support team this morning to review guidance for new funding options. We'll share the full presentation when it becomes available.

[Sign up here](#) to receive email updates from the County Business Sector support team.

Highlights

- For updates in real time, follow @SBA_SanDiego on Twitter, [visit their website](#), and [subscribe to their newsletter](#).
- This morning covered details of the First Draw and Second Draw Paycheck Protection Program (PPP) requirements, the EIDL Program, Shuttered Venues Operator Grant Program (**NEW**) and SBA Debt Relief.
- Recorded webinars on how to apply for these programs are available [here](#).
- Need 1 on 1 guidance to complete your application? Find your SBA Resource Partner [here](#).

Paycheck Protection Program (PPP) Re-Launch Overview

- The program opened on January 11 and closes on **March 31**. Don't wait to apply!
- This is a low interest loan with a forgiveness feature. If you spend 60% of the loan on payroll during a covered period (8-24 weeks), you can apply for loan forgiveness up to 100%.
- For most businesses, the loan amount is 2.5x the average monthly payroll, and 3.5x for those in the Accommodation and Food Service Sector.
- **First Draw** is eligible for those who **did not** previously receive a PPP loan, typically eligible for businesses with less than 500 employees.
 - There are special provisions for the Accommodation and Food Services Sector.

- Existing PPP borrowers that returned or repaid a first draw PPP loan by December 27, 2020 can reapply for a first draw loan.
- **Second Draw** is eligible for those who have already applied for a PPP loan.
 - New rules include:
 - Must have used the funds and have **300** employees or less.
 - Must demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.
- Use **Lender Match** to get connected with an SBA approved lender.

Economic Aid Enhancements (NEW)

- Eligible: Business entities; Sole proprietors, independent contractors, self employed individuals; 501(c)(3), **501(c)(6)**, 501(c)(19) Veterans organizations; Tribal businesses; **Housing cooperatives, destination marketing organizations and eligible news organizations**
 - Borrowers can now select a covered period where they can use PPP loan proceeds at any time between 8 and 24 weeks after disbursements.
 - The SBA will no longer deduct EIDL advances from forgiveness payments.
 - SBA will provide a reconciliation payment to the lender to be applied to the outstanding loan balance.
 - Still developing: simplified forgiveness application for loans \$150k and under.

PPP Loan Forgiveness Details

- Loans can be forgiven, given that employee and compensation levels are maintained and proceeds are spent on eligible expenses. At least 60% of the proceeds must be spent on payroll costs.

Economic Injury Disaster Loan (EIDL)

- It does **not** have a forgiveness feature, and interest payments are deferred for a year.
- Eligible for small business in a declared disaster area and which have suffered substantial economic injury (includes small agricultural cooperatives and most private nonprofit organizations).
- Terms Include a fixed 3.75% interest rate for businesses and 2.75% for nonprofits for a 30-year period. Proceeds can be used for working capital and normal operating expenses.
- Application is available [here](#).

Targeted EIDL Advance

- The EIDL Targeted Advance is a **forgivable loan**.
- Two priority groups:

- Businesses and nonprofit organizations that applied for an EIDL Advance last year and received less than \$10,000 are considered top priority applicants.
- The second priority group are businesses and nonprofit organizations that applied for EIDL assistance before December 27,2020 but did not receive an EIDL Advance because funding was exhausted.
- FAQs available [here](#).

New Program: Shuttered Venue Operator Grant (SVO) Program

- [FAQs here](#).
- Eligible entities include: live venue operators or promoters, theatrical producers, live performing arts organization operators, relevant museum operators, talent representatives.
- Must have been in operation as of Feb 29, 2020.
- Must have not received a PPP loan. Applicants can get a grant or PPP loan, not both.

Resource Centers

- [Small Business Development Center](#) (SBDC) Si Hablamos Español
- [Women's Business Center \(WBC\)](#)
- [SCORE San Diego](#)
- [SoCal Veterans Business Outreach Center \(VBOC\)](#)

If you would like to participate in the next Business Sector Telebriefing, join the 2nd and 4th Wednesday every month from 9:30 to 10:30 [here](#). Can't make the meeting? Send any questions to sbales@sdchamber.org to ask during the briefing.