# Program OVERVIEW

The Lomita Job Creation Loan Program 2022 (JC) is designed to assist local businesses recover from the negative impacts caused by the COVID-19 pandemic, as well as, create jobs to assist members of the community in obtaining employment that may have been lost during the pandemic. Using American Rescue Plan Act (ARPA) funds, the City of Lomita will make forgivable loans of $10,000 available to businesses creating permanent jobs. The jobs must be permanent full-time employment (FTE) opportunities made available to low-income households. The program would require that the new full time employment position remain in effect for one year. While it is a loan program, if the applicant has maintained compliance with the Program Guidelines during the one-year loan term, the loan will be 100% forgiven.

Funding preference will be performed via a lottery system at the completion of the six-week submittal period.

Applications will be accepted beginning March 7th 2022, but no later than 12:00 p.m. on April 21st, 2022. Please return a completed application and associated documents to Lomita City Hall, 24300 Narbonne Avenue, Lomita, CA. If there are any questions, please call Associate Planner Laura MacMorran at 310-325-7110 ext. 120 or email l.macmorran@lomitacity.com.

# Eligibility Requirements

* Eligible applicants are non-profits, business owners of new or existing restaurants, breweries, bars, general retail stores, office businesses, and manufacturing businesses that are physically located within the City of Lomita’s commercial zones.
* One new permanent full-time job is created for a person from a household not exceeding the low-income limits, as shown below, that will remain in effect for one year. Two part-time positions may be converted to two full-time equivalents, or two part-time jobs may be created.

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| Los Angeles County Area Income Limits 2021 | | | | | | |  |  |
| # of Persons in Household | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Acutely Low | $ 8,400 | $ 9,600 | $ 10,800 | $ 12,000 | $ 12,950 | $ 13,900 | $ 14,900 | $ 15,850 |
| Extremely Low | $ 24,850 | $ 28,400 | $ 31,950 | $ 35,450 | $ 38,300 | $ 41,150 | $ 44,000 | $ 46,800 |
| Very Low Income | $ 41,400 | $ 47,300 | $ 53,200 | $ 59,100 | $ 63,850 | $ 68,600 | $ 73,300 | $ 78,050 |
| Low Income | $ 66,250 | $ 75,700 | $ 85,150 | $ 94,600 | $ 102,200 | $ 109,750 | $ 117,350 | $ 124,900 |
| ~~Moderate Income~~ | ~~$ 67,200~~ | ~~$ 76,800~~ | ~~$ 86,400~~ | ~~$ 96,000~~ | ~~$ 103,700~~ | ~~$ 111,350~~ | ~~$ 119,050~~ | ~~$ 126,700~~ |

* The business must be a permitted use or conditionally permitted use within the zone.
* Completed application with all supporting documentation.
* Have not received a previous award from the City of Lomita, inclusive of JCBI, American Rescue Plan Façade Improvement loan, or any Community Development Block Grant (CDBG) administered by Los Angeles County on behalf of the City in the past year.

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| ****PROGRAM FUNDING TERMS AND CONDITIONS**** |

1. Funding Availability

All Program funding is limited to funding availability.

1. Loan, Conditions, Rates, and Terms

The maximum loan amount obtainable under the Program is $10,000 for the job creation program, which shall be used in accordance with the provisions of a signed Program Loan Agreement between the City and the Participants in conformance with Program requirements. The Program loan shall be evidenced by a promissory note, signed by all business owners. The Program loan will accrue interest at the rate of 1% per annum simple interest and does not require monthly payments. At the conclusion of the one-year participation period in which the new employment position remains in effect, the loan (inclusive of any accrued interest) will be forgiven, provided that the participant has complied with all Program requirements and are in conformance with the Program Loan Agreement.

Participants that wish to cancel the Program Loan Agreement prior to completion of the one-year participation period will be required to repay the loan amount, plus accrued interest. There is no pre-payment penalty, and the Participants may repay the loan at any time. within the Program year.

1. Qualifying the Guarantor

The City will generally follow the rules of the Small Business Administration as to qualification of guarantors:

1. Active Management with any ownership equity in borrower must guaranty
2. Shareholders/owners of 20% or more equity in borrower must guaranty regardless of active involvement in management.
3. Additional Terms
4. Recipients must abide by all applicable federal, state, and local laws and regulations.
5. Additional terms and conditions may apply and will be disclosed in the loan agreement documents.

# Application Review Process

1. **Application Pre-qualification and Evaluation** - Each application filed will be dated and processed in the order received. At the completion of the six-week application submittal period, Staff will review applications for completeness and verify Applicant eligibility. Staff will advise Applicants by written correspondence of any deficiencies within incomplete applications, and indicate corrective measures required. Applications with deficiencies will be afforded 14 calendar days (from date of written correspondence) to provide staff with the identified missing materials. Ineligible Applicants shall be notified of their status by written correspondence.
2. **Applicant Evaluation and Staff Review** - Upon submittal of a complete application, and prior to consideration by the Loan Review Committee (LRC), Staff shall conduct a lottery to determine the order that the applications will be reviewed. An appointment will be scheduled with each qualified application until the last of the funds are allocated. Applicant to review program requirements, hiring goals, loan security requirements, procurement requirements, loan conditions, and reporting and documentation requirements. Based on the Applicant's concurrence with Program requirements, Staff shall prepare an LRC Funding Request Summary that will summarize critical Applicant, business, and program information for LRC review.
3. **LRC Review** - The Loan Review Committee (LRC) shall convene and provide a determination regarding the eligibility of the Applicant. The LRC shall present applications to the City Council for evaluation.
4. **City Council** – City Council shall determine the amount of funds to be conditionally awarded to the project, and any other conditions of approval or denial. Any determination of the City Council decision is final. All Program funding is limited to funding availability.

# AWARD DISBURSEMENT

Participants will receive awarded loan funds within 30 days of City Council’s approval and execution of loan agreement.