RECOVERY WEEKLY CHECK-IN WITH DMPED

Economic Recovery Updates

January 5, 2021

CORONAVIRUS.DC.GOV/RECOVERY
Welcome

Deputy Mayor John Falcicchio,
Planning and Economic Development (DMPED)
Small Business Administration Updates

Roderick Johnson, Project Officer, Lender Relations & Small Business Development Center
PPP 2.0

- Re-opened through March 31, 2021 with an additional $284 billion in funding.
- Businesses are eligible to receive a second forgivable loan if they:
  - employ 300 employees or less;
  - have used or will use the full amount of their first PPP; and
  - demonstrate at least a 25% reduction in gross receipts in any quarter in 2020 compared to the same quarter in 2019.
- Small business owners can also apply for an initial PPP loan.
- Simplifies the forgiveness application for loans under $150,000.
  - A rollout of the process will happen by February 1, 2020.
- Allows borrowers to specify a covered period between 8 and 24 weeks for PPP 2.0 loans.
- Repeals the requirement of deducting an EIDL Advance Grant from PPP loan forgiveness amount.
- Expands eligible expenses to include costs for modified business operations, supplier costs, and costs associated with complying with health and safety guidelines.
- Businesses in the restaurant and hospitality industries are eligible to receive loans of 3.5 times average monthly payroll, rather than 2.5 times.
EIDL Advance Grant 2.0

• Adds another $20 billion for EIDL Advance Grants.
• Eligible small businesses are able to receive additional funding if their first EIDL Advance Grant was under $10,000.
• Businesses are eligible to receive an EIDL Advance Grant if they:
  • employ 300 employees or less;
  • demonstrate at least 30% reduction in gross receipts in any 8-week period between March 2, 2020 and December 31, 2021; and
  • are located in a low-income community, as defined for the New Markets Tax Credit (NMTC).
Tax Provisions

- Reverses IRS ruling to allow tax deductions for PPP forgiven expenses and clarifies that PPP loan forgiveness not taxable income.
- Clarifies that EIDL Advance Grants are not included in taxable income.
- Extends FFCRA tax credits through March 31, 2021.
- Extends the Employee Retention Tax Credit through July 31, 2021 and expands the credit.
Small and Local Business Updates

Kristi Whitfield, Director, Department of Small and Local Business Development
The DSLBD team is ready and available to provide technical support and assistance to District businesses applying for PPP funds:

email: dslbd.ptac@dc.gov
Phone: (202) 727-3900 (select option #7)

Where else can I get help?
- District Chamber of Commerce
- DC Main Streets
- Business Improvement Districts
- Greater Washington Black Chamber of Commerce
- Your current lender
- Small Business Development Centers
- Greater Washington Hispanic Chamber of Commerce
City First Bank

LaShanya Washington, Vice President & Credit Risk Manager, City First Bank

James Steck, SBA Lending Officer, City First Bank

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Getting Ready for Round 3

• BORROWERS ROLE:
  • Existing borrowers will be notified by local banks of second advance application and eligibility requirements
  • Prepare to send in documents submitted in first round:
    • Payroll Processor Reports (ADP, Paychex, CARES Act Form)
    • Tax Forms 941
    • 2019 Tax Returns

• LENDERS ROLE:
  • Awaiting official guidance from the SBA on submission format and applications
  • Preparing teams for all hands, additional resources, etc.
  • CFB – preparing to automate the application process to increase number of applications processed
FAQ

• How is process different in Round 3?

• Should borrowers apply through the SBA or local Banks?

• How are local banks preparing to help District businesses?

• When will the application process start?

• When will Round 3 loans be approved by SBA and disbursed?
FORGIVENESS APPLICATIONS

• SBA is currently accepting forgiveness applications

• Contact local bank for forgiveness details

• CFB – has automated the forgiveness process
  • Invitation emails have been sent to all CFB PPP borrowers

• Encourage borrowers to apply for forgiveness as soon as the PPP funds have been exhausted
Special Guest Remarks

Anthony Hales, Bayne LLC, President and CEO

Cora Williams, Ideal Electrical, CEO

Odara Jabali-Jeter, Property Management (sole proprietor/CEO)
Open Discussion

Q & A