

RECOVERY WEEKLY CHECK-IN

WITH DMPED

Economic Recovery Updates

February 2, 2021

[CORONAVIRUS.DC.GOV/RECOVERY](https://coronavirus.dc.gov/recovery)

DMPED
OFFICE OF THE DEPUTY MAYOR FOR
PLANNING & ECONOMIC DEVELOPMENT

WE ARE
WASHINGTON
GOVERNMENT OF THE
DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

Welcome

Deputy Mayor John Falcicchio,
Planning and Economic Development (DMPED)

DC IS OPEN

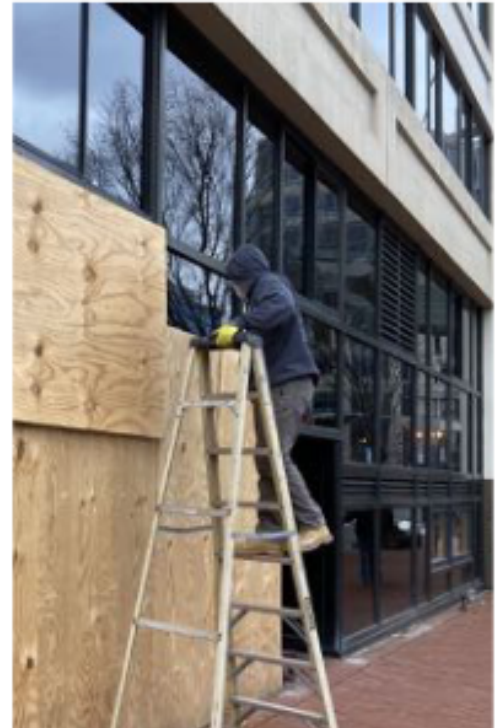


DC IS OPEN

and boards are coming down.

Taking down boards?

Shaw Main Streets will be accepting decommissioned plywood from businesses and commercial landlords to be repurposed through the Wood for Good project. Businesses interested in donating can email shawmainstreetsinc@gmail.com to make arrangements for dropping off their boards.



Paycheck Protection Program (PPP)

Kristi C. Whitfield

Director, Department of Small and Local Business
Development

Support from DSLBD

The DLSBD 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

Small Business Administration Updates

Roderick Johnson, Lender Relations
Specialist, SBA

Updates to PPP, EIDL, SBA and Other Programs

Presented by: Rod Johnson

Date: February 2, 2021

About the Presenter



Roderick Johnson is a Lender Relations Specialist with the Small Business Administration. Rod has over 30 years of experience lending to small, middle market and large corporate businesses. He has an MS in Financial Management and his motto is: *I burst open the banks' vault doors for local, growing and profitable businesses.*

PPP 2.0 (Second Round) – Who Qualifies

Key Qualification for “Second Draw”

Businesses and Non Profits with 300 or fewer employees can borrow up to \$ 2 Million provided you can demonstrate a **25%** or greater decline in **Gross Revenues** during any one quarterly period in 2020 compared to the same quarter in 2019

PPP 1.0 Loan Still Open

If you have an existing PPP Loan, then you **must have spent** your PPP 1.0 money before obtaining PPP 2.0. The bank may want you to submit PPP 1.0 Loan for forgiveness before second draw – make sure you are ready per new forgiveness application form

New PPP Applicants – “First Draw”

If you have never received a PPP Loan, then you can apply for the current PPP Loan per **original rules** – no more than 500 employees / up to \$ 10 Million Loan Amount

PPP 2.0 - Loan Amount

Loan Amount - Same Calculation as PPP 1.0

2.5 times your monthly average payroll in 2019 or 2020. If self-employed, Profits per Line 31 on Schedule C divided by 12 x 2.5 for either 2019 or 2020. Choose the **higher** of the two calculations. **Use same lender and 2019 for Second Draw – Reduces documentation requirement.**

Payroll Cost – Slightly Expanded

Same as before: Gross Pay for U.S. Residents up to \$ 100,000 for the year + Employer Share of **Insurance which includes Health, Dental, Vision, Disability and Life** + Employer Share of Retirement + State Unemployment.

New with
PPP 2.0

		Year to Date Payroll for 2020			Disab and Life	State Unempl	Total Payroll Cost for PPP
Empl No	Gross Pay	Ceiling @ \$100,000	Health Insurance	Retirement Plan			
3	\$ 122,300	\$ 100,000	\$ 5,449	\$ 589	\$ 335	\$ 3,980	\$ 110,353
5	\$ 86,400	\$ 86,400	\$ 4,620	\$ 497	\$ 290	\$ 3,488	\$ 95,295
6	\$ 92,400	\$ 92,400	\$ 5,040	\$ 552	\$ 309	\$ 3,645	\$ 101,946
		Total Payroll Cost					\$ 307,594
		Monthly Average			12		\$ 25,633
		Multiply by 2.5 = Loan Amount					\$ 64,082

Non Payroll Expense Expanded for PPP 2.0

Same as Before: Must use 60% or more on Payroll to obtain 100% Loan Forgiveness. The 40% Non Payroll Expenses (Rent, Utilities and Mortgage Interest) has been expanded to include the following:

Operating Expenses

- *Business software or cloud computing service that facilitates business operations such as payroll, inventory tracking, accounting, sales, etc.*

Worker Protection Expenses

- *Operating or Capital expenses required to comply with COVID-19 government mandates including: Renovations, New Drive Thru, New Barriers, New Outdoor Space, Sneeze Guards, Deep Cleaning, COVID-19 Testing, Protective Gear, and other protective measures directly associated with protecting workers and / or customers*

Supply Expenses

- *Expenses for core operational supplies such as materials to make products or restock depleted inventories pursuant to contracts / purchase orders in effect before the loan.*

Property Damage Costs

- *Business property damaged by looting, vandalism or public disturbances in 2020 that were not covered by insurance or other sources*

If you submitted your PPP 1.0 Loan for forgiveness, you CANNOT go back and change the expenses – Banks must begin processing new PPP 2.0 applications. If you have not submitted for forgiveness, you can go back and use funds retro-actively for new qualified expenses.

EIDL Loan Program Extended thru Dec 31, 2021

Similar to PPP, Economic Injury Disaster Loans are now available for those who did **not** get the loan

- 30 Year Term Loan at 3.75% (2.75% for Non Profits)
- Unlike PPP, this is NOT a forgivable loan
- Unlike PPP, more flexibility with expenses – all recurring operating expenses including regular payments for loans, insurance payments, maintenance, rent, license fees, payroll, utilities, office cleaning, etc.
- Business is located in the USA with less than 500 employees and needs operating funds to offset the negative impacts from COVID-19
- Loan amounts above \$ 25,000 may require collateral
- Loan payments can be deferred for 12 months
- No penalties for pre-payments
- Amount of the Loan is typically determined by reviewing the **2019 Gross Profits** of the Business subject to a maximum loan amount of \$ 150,000
- Businesses with Existing EIDL Loans may request an increase by email: pdcrecons@sba.gov with the word “INCREASE” in the subject line

NEW APPLICANTS



NOTE: If you already applied for EIDL, the Advance (Grant) is NOT available. It is available on an emergency basis and for targeted businesses

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loans>

EIDL Loan Grants for Low Income Communities

Section 331 of the Act – Targeted EIDL Advance

Businesses can qualify for the maximum EIDL Grant if they meet **two** qualifications:

Qualify per Location

Business is located in a Census Tract where 20% or more of the population lives in poverty OR the Median Family Income is 80% or less of the State-Wide or Metro Area Median Family Income.

Go online (link below), enter address in tool bar, click on the Census Demographic Data button and click on Income tab and see if you can meet the criteria above

<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

Qualify per Drop in Gross Revenues

Business had more than a 30% drop in Gross Revenues as measured over an 8-week period that falls between March 2, 2020 to December 31, 2021 when the program expires, compared to same dates that fall between January 1, 2019 to March 1, 2020.

\$ 10,000 Grant

SBA will issue a maximum grant amount of \$ 10,000 to the applicant. It is forgivable and does not have to be paid back.

Emergency EIDL Loan Grants

Section 332 of the Act – Emergency EIDL Grants

Businesses **not** in Low Income Communities may be eligible for an Emergency EIDL Grant:

- You received an EIDL Loan, but never received the grant
- You qualify for EIDL, but never applied for either the loan or the grant
- SBA reserves the right to make sure you qualify and verify your identity
- Your application must be complete and accurate to qualify for the Emergency Grant
- SBA has 21 days to make payments under this program
- Similar to the Targeted Program, the total budget is limited to \$ 20 Billion

Similar to PPP Forgiveness, EIDL grants are not reported as taxable income on the business tax return

NOTE: The information provided on this slide and the previous slide is an interpretation of the legislation subject to change. The SBA will provide final guidance on the two EIDL Grant Programs – Targeted and Emergency. This is expected to be released mid-February 2021.

SBA Debt Relief Program is Extended to 9/30/2021

Section 325 of the Act – Extension of Debt Relief Programs

- Applies to Micro Loans, 7(a) and 504 Loans - Summarized below:

Micro Loans

- Provides Operating Capital
- Short Term Loans 6 years or less
- Small Loans \$ 50,000 or less
- Issued to Under-Served Areas
- Issued by Non Profit Lenders
- Technical Assistance Grants are also available

7 a Loans

- Wide range of uses – operations, new assets, startup, etc.
- 10 year term for Operations, can be longer for asset acquisitions
- Issued by SBA participating banks
- Loan amounts can exceed \$ 2 million

504 Loans

- Focused on major assets such as buildings, equipment
- 10 year term for Equipment, 20 years for Real Estate
- Can be used to re-finance long term loans
- Loan amounts up to \$ 5 Million

A good place to start



<https://www.sba.gov/funding-programs/loans>

- Debt Relief = SBA pays your loan payments for 3 Months (Existing Loan) or 6 Months (New Loan)
- Not taxable to the business

SBA Grant Program for Live Event Operators

Section 324 of the Act – Grants for Shuttered Venue Operators

- Live Event Operators include Movie Theaters, Concert Halls, Jazz Clubs, Broadway Play Venues, Comedy Clubs, Museums or other venues that charge ticket admissions for an event.
- Must have been operational on February 29, 2020 with less than 500 full time employees AND experienced a 25% reduction in revenues in at least one quarter in 2020
- Grant amount is 45% of 2019 annual revenues if existed before 2019 OR 6 months of average revenues in 2019 if existed after 1-1-2019
- Cannot have received PPP Loan after 12-26-2020
- Grant money is used same as PPP, but can include marketing, ads, staging, and other event costs
- Fixed Coverage Period of March 1, 2021 to December 31, 2021
- Supplemental Grants will be available to extend through June 30, 2022 @ 50% of initial grant

NOTE: SBA refers to this program as **SVOG** – Shuttered Venue Operators Grant. Others call it SOS – Save our Stages. You can ask a question about eligibility by submitting an email to: SVOGrant@sba.gov
<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/shuttered-venue-operators-grant>

Business Funding Updates

Neil Albert, President and CEO, Downtown
DC Business Improvement District

\$1M Pandemic Assistance Grant Program & PPP Technical Assistance Program



\$1 Million Pandemic Assistance Grant Program

The Challenge

- Extreme Economic Hardship:
 - DowntownDC businesses are disproportionately affected by the economic slowdown because of the high concentration of office use:
 - 76% percent of SF in DowntownDC is office space, with little mixed-use, retail businesses have suffered
 - Daily population in Fall 2020 was down 82% from pre-pandemic levels (from 256,000 per day to 47,000, but up from 35,000 in Summer 2020)
- Limited Funding Options:
 - The District's recent Bridge Fund was only available to Local Business Enterprise businesses

The Response

- \$1 million grant program designed to give 50 – 150 small-scale retail businesses located within the DowntownDC BID grants of \$5,000 - \$15,000

\$1 Million Pandemic Assistance Grant Program

Key Dates

- Program Opened: January 14
- Application Deadline: February 4, 5pm
- Award Notification: February 15 – 17
- Grant Disbursement: February Feb 22 - 26

\$1 Million Pandemic Assistance Grant Program

Eligibility

- Business Must Be:
 - Located in DowntownDC BID
 - Food Service and Non-restaurant Retail
 - Open for Business Currently
 - Able to Demonstrate Substantial Revenue Decline for April – December 2020 (25% or more)
 - Operating Fewer than Ten Locations Outside of the DC region

PPP Technical Assistance Program

The Challenge

- \$2.2B in Funding to District Businesses in Paycheck Protection Program (PPP) Round One
- First-come, First-serve Funding

The Program

- Assistance with PPP Round Two Applications for BID Businesses by CohnReznick, including:
 - Navigating program compliance
 - Documentation preparation assistance
 - Application assistance
- DowntownDC BID will Pay up to \$900 in Legal Fees
- To participate in the program email ppp@downtowndc.org

Resources and Programs from LEDC

**Daniel Friedman, Loan Operations Manager,
Latino Economic Development Center**

About Us



LEDC's "non-profit 501(c)(3)" **mission** is to drive the economic and social advancement of low-to-moderate income Latinos and other D.C. and Baltimore metro area residents and help them build assets through homeownership and entrepreneurship.



Locations

- Washington, DC
- Wheaton, MD
- Baltimore, MD
- Arlington, VA
- Puerto Rico



Small Business Programs

- Small Business Loans
- Business Advice
- Credit Building
- Resilient Business Corridors
- Empowered Women International (EWI)



Housing Programs

- Affordable Housing Preservation
- Home Ownership: first time homebuyers and foreclosure prevention



Overview of Paycheck Protection Program

- **Who can apply?** Any small business that meets SBA's size standards, is still in operations, **non-profit organization**, veterans organization; **sole proprietors, independent contractors, and self-employed persons***, local chambers of commerce, housing cooperatives, direct marketing organizations, religious entities.
- **Eligible uses of funds:** Payroll costs and non-payroll costs (rent, mortgage interests, utilities, worker protection costs related to COVID, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations).
- **Loan details:** Maturity of 5 years and 1% interest rate
- **No collateral or personal guarantee required**
- Neither the government nor lenders will charge small businesses any fees.
- **Loan application deadline:** March 31st 2021

* **Self-Employed individuals without employees must report a positive net income on their tax return in 2019 or 2020 (Schedule C line 31)**

SMALL BUSINESS LOANS:

Credit Building

Loan Products

**Paycheck Protection
Program (PPP)**

- **Bilingual information**
- **FAQs**
- **Businesses applying through LEDC can request Technical Assistance free of charge**

PAYCHECK PROTECTION PROGRAM – 2.0


LEDC is now accepting PPP applications. Please refer to the following program overviews, FAQ, and list of required documents. Once you are ready to start your application, click the “Apply” button at the bottom of the page.


- [PPP First Draw Loans Overview \(English\) / \(Español\)](#)
- [PPP Second Draw Loans Overview \(English\) / \(Español\)](#)
- [How to Calculate First Draw PPP Loan Amounts \(English\)](#)
- [How to Calculate Revenue Reduction and Second Draw PPP Loan Amounts \(English\)](#)
- [More Information Available on SBA Website \(English\) / \(Español\)](#)
- [Frequently Asked Questions](#)
- [Review LEDC's Informative Session \(English\) / \(Español\)](#)
- [Apply](#)
- [Solicitud en Español](#)
- [Request Technical Assistance to Complete Your Application](#)


Application Portal


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omar.velasco.gomez@gmail.com

.....



Log In

Don't have an account? [Sign up now!](#)

#1 - Business InformationPage 1 of 3

EditSkipNextHelp

PPP Loan Application

Application# L-0073-2021 | Logged in User: Omar Velasco

1MAIN APPLICATION

2BORROWER INFORMATION

Business Information

Business Information*

When Did The Business Start Operating?:

02/14/2017

Is The Business Registered?:

Yes

Business Information*

Business Name:

Andres Carne de Res

Business Street Name:

404w 29th ST

Business Suite #:

Business City:

BALTIMORE

Business State:

Maryland

Online Application Portal

- User-Friendly
- Allows to save progress and resume application
- Secure file transfer
- Spanish version available

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Daniel Friedman
dfriedman@ledcmetro.org

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Remarks

**Shiva Gilanshah, Owner, The Picture Frame
Factory**

Open Discussion

Q & A

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