



AGENDA
CITY OF SEASIDE
C-JOBS
COMMISSION ON JOBS,
OPPORTUNITIES
AND BUSINESSES IN SEASIDE

SPECIAL MEETING
VIRTUAL ONLY
Thursday, October 22, 2020
2:00 PM

Pursuant to Governor Newsom's Executive Orders [N-29-20](#) and [N-33-20](#), and to do all we can to help slow the spread of COVID-19 (coronavirus) City of Seaside meetings will be adapted in the following ways:

- Meetings of the Seaside City Council and its Boards and Commissions will be conducted with virtual (electronic) participation only. Members of the public may watch the live stream of the City Council and Boards and Commission meetings at <https://bit.ly/SeasideYouTube>
- Members of the public may participate before and during each meeting by submitting comment(s) to cityclerk@ci.seaside.ca.us. The clerk will read each received public comment aloud into the record at the designated time, subject to time limits that may be imposed pursuant to the Brown Act. In the subject line of a public comment email, please specify the meeting body and date and indicate the relevant item number or "general" to help staff easily receive and organize public comments.

1. CALL TO ORDER

2. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

3. PUBLIC COMMENT

Members of the public wishing to address the Board on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to two (2) minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. BUSINESS ITEMS

A. SMALL BUSINESS LOAN APPROVALS

RECOMMENDATION: To review and approve the recommended application.

5. **ADJOURNMENT**

Next Regularly Scheduled Meeting:
TBD

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. Agendas are posted at:

<http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Governor Newsom's Executive Orders N-29-20 and N-33-20.



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 4.A.

TO: C-JOBS

BY: Gloria Stearns, Community Development Manager

DATE: October 22, 2020

SUBJECT: SMALL BUSINESS LOAN APPROVALS

PURPOSE & RECOMMENDATION

To review and approve the recommended application.

BACKGROUND

On August 6, 2020, City Council allocated \$200,000 to be used for small business loans in the City of Seaside. The Staff Report from the City Council meeting is included as Attachment 1.

The process is as follows:

Marketing of Loans - City staff advertises the loans via emails to all Seaside businesses that have a business license. The emails have been sent at least 4 times since September 1, 2020. The loans have also been advertised by the City via social media at least 8 times. The link to the loans is on the front page of the City's website.

Loan Application – City Data Services has automated the loan application. Online loan applications are reviewed by staff for completeness. Applicants are notified via email and / or phone about their incomplete application. Once an application is deemed complete, it moves to an Experian credit check.

Credit Check – The City Finance Director, Victor Damiani, requests an Experian credit check for all complete applications. City staff emails and calls the applicants informing them to look for an email from Experian, but this is where non-response is most common.

Completed application – To date, only one loan application has made it through the entire process. Once an application is deemed complete and passes the credit check, it

goes to CJOBS. A meeting must be scheduled and reports prepared.

Process improvements: A part-time staffer has been added in Community Development to work on ensuring the loan applications are complete, and to assist the City Finance Director in reaching out to applicants about the Experian credit check. These changes began October 19, 2020.

Currently there is one application for CJOBS, which is attachment 3 – loan application.

ATTACHMENTS

1. City Council Staff Report
 2. Draft Resolution
 3. Loans - Application 1
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 10.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: August 6, 2020

**SUBJECT: CONSIDER A BUSINESS LOAN PROGRAM TO ASSIST SEASIDE
BUSINESSES IN RECOVERING FROM THE COVID-19
EMERGENCY**

PURPOSE & RECOMMENDATION

Create a revolving business micro loan program leveraging assistance from the Monterey Peninsula Chamber of Commerce, the Community Foundation and the CSUMB Institute for Innovation and Economic Development to assist in recovery from the COVID-19 Pandemic Emergency.

BACKGROUND

City Council directed staff to develop a loan or grant program using the \$200,000 designated in the FY20-21 Budget for such purpose. Staff has reviewed various options for implementing a program and have developed recommendations based on that review.

Principals:

Staff considered six principals in the development of a potential loan program. Loans should be easy to obtain. The administration of the program should consume as few staff resources as possible. The program should assist the greatest number of businesses as possible. The program should leverage resources from partners, specifically the Monterey Community Foundation Grant Program, programs of the Monterey Peninsula Chamber of Commerce and the technical assistance programs created by the CSUMB Institute for Innovation and Economic Development.

The Program:

Staff has designed a potential program that will provide loans in amounts from \$2,500 to \$5,000. No interest would be accrued nor would payments be required until 90 days after the end of the COVID-19 Statewide Emergency Order. All loans would have a 36 month (3 year) repayment period with no penalty for prepayment or early payment. Interest would be set at a fixed rate of 3%. Additionally, the program would be a "revolving" loan program meaning that any payment received would be loaned out to businesses that need additional assistance. The program would continue making loans until at least one year after the emergency order is lifted.

Eligibility:

Any business that is primarily located and doing business in Seaside prior to January 31, 2020 would be eligible to apply. Requirements for funding would include a positive cash flow in the 2019 Calendar year, or for any period prior to January 31 that the business was open and operating. Businesses would also be required to have a Seaside Business License that is active and in good standing. Businesses should also be in good standing with the California State Board of Equalization (BOE). Businesses would be required to obtain technical assistance from the CSUMB program and to apply for grant funds through the Community Foundation/Monterey Peninsula Chamber of Commerce program (staff will assist businesses in applying for technical assistance and the grant program). If eligible, businesses will also be encouraged to apply for Small Business Administration financing through the City's Grow America Fund program.

Underwriting:

Staff will review applications for eligibility and those applications that are eligible will be sent to the C-JOBS Commission for review and recommendation which will occur every other week via Zoom.

Additional Considerations:

Due to the nature of the emergency and the unknown timeline for recovery, staff estimates that between 30-50% of the loans provided will never be repaid, and that some number of current Seaside Businesses will be unable to weather the storm in spite of this and other assistance programs. Staff has limited resources which will necessarily mean that the underwriting process will be similarly limited in scope and detail. It is also unlikely that any loans that default will ever be repaid.

As the emergency ends and the economy begins to recover, staff also recommends that the loan program be revamped with a focus on helping new businesses form in Seaside. All program income and any funds not expended could be used to help new businesses form and reduce the long term impact of the pandemic.

FISCAL IMPACT

Staff's recommendation would result in the City expending up to \$200,000 in funds already budgeted to a business assistance program. An unknown amount would be returned as program income as some of the loans will be repaid.

ATTACHMENTS

1. Draft Resolution

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

RESOLUTION NO. 20-____

**A RESOLUTION OF THE COMMISSION FOR JOBS OPPORTUNITIES AND
BUSINESSES IN SEASIDE**

**AUTHORIZING THE CREATION OF A REVOLVING MICRO LOAN PROGRAM TO
ASSIST SEASIDE BUSINESSES IN RECOVERING FROM THE COVID-19
EMERGENCY**

WHEREAS, The City of Seaside has budgeted two-hundred thousand dollars (\$200,000) for the purposes of assisting businesses in recovering from the COVID-19 emergency; and

WHEREAS, The COVID-19 emergency remains ongoing; and

WHEREAS, The Seaside business community continues to suffer extraordinary economic impacts; and

WHEREAS, The City wishes to partner with various regional efforts to improve the local economy, including the Monterey Peninsula Chamber of Commerce, the Community Foundation for Monterey County, The County of Monterey and California State University at Monterey Bay; and

WHEREAS, The City wishes to assist businesses via a revolving loan program augmented by other regional programs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside authorizes the City Manager to implement a revolving loan program for Seaside Businesses with the terms outlined in Exhibit A to this resolution.

PASSED AND ADOPTED at a meeting of the City Council this 6th day of August 2020.

AYES:
NOES:
ABSENT:
ABSTAIN:

Chair

ATTEST:

Lesley Milton, City Clerk

EXHIBIT A

COVID-19 Emergency Micro Loan Program Terms

Eligibility:

1. All Seaside businesses that were opened on January 31, 2020.
2. Businesses opened prior to January 1, 2019 must show positive cash flow prior to January 1, 2020
3. Businesses opened after January 1, 2019 must show positive cash flow for at least 2 months prior to January 31, 2020.
4. All applicants must agree to access technical assistance from the CSUMB technical assistance program.
5. All business must additionally seek a grant from the Community Foundation and Chamber of Commerce grant program.

Loan Terms:

1. Loans will be for a minimum \$2,500 and a maximum of \$5,000
2. No interest or payments will be required until 90 days after the State and County COVID-19 emergency proclamations are lifted.
3. All loans will have a 3% annual interest rate starting the first full month after the emergency proclamation has ended.
4. All loans will be amortized over a 3 year repayment period with no penalty for early repayment.
5. All program income will be loaned to additional businesses.
6. Loans will be available until one year after the emergency proclamation has been lifted beginning on the first day of the month following the end of the proclamation.



City of Seaside
 Community & Economic Development
 440 Harcourt Avenue
 Seaside, CA 93955
 Gloria Stearns
gstearns@ci.seaside.ca.us
 831-899-6830

[Help with this page](#)

COVID-19 Emergency Micro Loan Program

**NOTE: Your login will timeout after 3 hours without a save.
 Please save your work periodically, and if you leave the computer.**

English Language Lengua Española

[Save and Continue](#)

III. APPLICATION INFORMATION			
Loan Value Requested	<input type="radio"/> \$2,500 <input checked="" type="radio"/> \$5,000		
a. Name of Business/DBA	DRYGREEN Carpet & Upholstery Clea		
b. Business Address (physical location of business)	1480 Mescal Street		
Business City, State, Zip	Seaside, CA 93955		
c. Business Phone	8312109471		
d. Business Email	drygreen@comcast.net		
e. Sellers Permit Number			
f. Business Information/Summary (please indicate the purpose of your business, including goods sold or services provided)	Carpet and Upholstery Cleaning		
g. Date Business Opened in Seaside	8/09/2017		
h. How many employees work for your business?	0	Full Time	0 Part Time
i. What is the purpose of the loan (check all that apply):	<input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Rent <input checked="" type="checkbox"/> Utilities <input checked="" type="checkbox"/> Other:		
j. Do you have any other businesses within the City limits?	<input type="radio"/> Yes <input checked="" type="radio"/> No		
k. Provide the most recent full business year:	Gross Revenue/Sales (GRS): \$55,000 Gross Revenue/Sales (GRS): If this information is not available, please explain:		

[Save and Continue](#)

IV. OWNER INFORMATION	
Select the type of your business:	
<input checked="" type="radio"/> Owned by an Individual <input type="radio"/> Partnership <input type="radio"/> Corporation	
If the Business is owned by an Individual:	
a. Business Owner's Name	

	Timothy Bernotas
b. Business Owner's Mailing Address	1480 Mescal Street
City, State, Zip	Seaside
c. Business License Number	9992018766
d. CDTFA ID Number	
e. Date of Birth	6/12/1972
f. Owner Phone	8312109471
g. Owner Email	drygreen@comcast.net

V. CERTIFICATIONS AND AUTHORIZATIONS

Please initial each item below:

TB I am a fully authorized representative of this business eligible of entering into binding agreements and acknowledge that this is a loan from the City of Seaside that must be repaid.

TB The terms of the loan include no interest or payments will be required until 90 days after the State and County COVID-19 emergency proclamations are lifted; that all loans will have a 3% annual interest rate starting the first full month after the emergency proclamation has ended;

TB All loans will be amortized over a 3 year repayment period with no penalty for early repayment and that there will only be one payment required annually.

TB I further acknowledge that loans will be available on a first come – first served basis, until the total funding allocation of \$200,000 has been exhausted and that by my signature below I, authorize the City of Seaside to obtain a background check and /or consumer credit report on me, and understand that my application can be rejected based on credit history.

TB I further agree that if awarded this loan, I will access technical assistance from the CSUMB technical assistance program, and if eligible, apply for grants from the Chamber of Commerce Grant Program and the Monterey Community Foundation Grant Program.

TB I further understand and agree to complete the credit check request form from Experian Credit Bureau, which will be emailed to the applicant, and agree to pay the fee for such report in order to complete this application.

Applicant Name	Timothy Bernotas
Authority to sign on behalf of the business:	Timothy Bernotas
Applicant Email Address	drygreen@comcast.net
Applicant Phone Number	8312109471
Date:	09/15/2020

Staff Notes:

Staff Review:

- Received
- Eligibility:
 - Eligible
 - Not Eligible

Submitted By:

Click above to return report to Draft status for the applicant to complete additional information, and enter a reason in the box above

xyz

Initially submitted: Sep 15, 2020 - 15:15:18

City Data Services - San Mateo, CA
Copyright © 2007-2020. City Data Services. All rights reserved.