

City of University City – COVID-19 Business Assistance Program (Round 4 - Guidelines)



Department of Planning and Development

6801 Delmar Boulevard, University City, Missouri 63130, Phone: (314) 862-6767, Fax: (314) 862-3168

Program Guidelines

Overview

The City of University City is pleased to announce Round 4 of the Forgivable Loan Small Business Assistance Program. The City has earmarked \$700,000.00 for the Program that is intended to help eligible local retail, service, home based and creative for-profit businesses address immediate cash for short-term financial operational needs such as payroll, payment to suppliers, payment to service providers or payment of utilities. The available funding is intended to serve all qualified University City businesses with a goal that at least 25% of the allocated funding will fund minority and women-owned businesses. The loan funds may not be used for capital expenditures or rent. The intent of this Program is to provide local businesses relief due to their economic loss during the current COVID-19 Pandemic.

Funding Qualifications

A limited number of applications will be approved through this Program. Applications will be evaluated based on the following qualifications:

1. Businesses must apply for assistance to the Director of Planning & Development under the Program and be able to demonstrate a need for the assistance using an established form and submit current financial statements.
2. Applicants have from February 9, 2021 to April 30, 2021 to apply for assistance.
3. Assistance will be in the form of a loan, forgivable under the following conditions:
 - The business was established prior to March 21, 2020 and reopens or is open within two weeks after the first payment of loan funds and remains open in University City for at least two years after that payment or any subsequent payment, whichever is later.
 - The business suffered a minimum 20% decrease in revenue in 2020 as compared to 2019.
 - The business retains at least 50% of its employee workforce that existed immediately prior to March 21, 2020, for at least two years after the final payment of loan funds.
 - The business requests loan forgiveness within two years after the final payment of loan funds and submits documentation verifying that the above conditions were met.
4. If the above conditions were not met, the term of the loan shall be two years, commencing on the date of the final payment of loan funds, at an annual rate of .5%.

Business Eligibility

To be considered an eligible business to receive forgivable loan assistance, a business must meet the following additional requirements:

1. The business has and maintains a current and valid City of University City Business License for 2020, 2021, 2022, 2023 and 2024 if the final payment of loan funds was received in 2022.
2. The business shall not be part of a chain consisting of more than 4 units.
3. If the business is part of a franchise system, it must show a demonstrated need based upon individual ownership operations.
4. The business is not a private club and is open to the general public.
5. If the business is home based, it must be a "home occupation" as defined in Zoning Code Section 400.030 except it must be for profit and must comply with Zoning Code Sections 400.1310 to 400.1340 on home occupations. Funds may only be used to reimburse expenses and are not intended to replace lost revenue. Funds shall not be used for payment of rent or a mortgage loan on a home, nor for payment of more than 25% of utility expenses for the home.

Forgivable Loan Amount: \$2,000 – \$15,000

The loan will be forgiven if the recipient meets the Funding Qualifications and Business Eligibility criteria. The eligible loan opportunities are based upon the following formula:

1. Businesses contributing more than \$2,000 in verified EDRST 2019 revenue are eligible to receive a forgivable loan equaling no more than 100% of their individual 2019 EDRST revenue contributions, provided that verified 2019 EDRST revenue contributions exceeding \$15,000 will be capped, resulting in any business only being eligible to receive a maximum loan amount of \$15,000. Businesses that received funding in Rounds 1, 2 or 3 of the Program are not eligible to receive funding in Round 4. However, businesses that received funding less than \$2,000 in Rounds 1 or 2 are eligible to receive Round 4 funding up to \$2,000 minus funds already received.
2. Businesses contributing less than \$2,000 in 2019 EDRST revenue, and have not received prior funding subject to program guidelines, are eligible for a \$2,000 forgivable loan payable over two years at an annual rate of .5%, commencing on the date of the final payment of funds.
3. Home-based businesses contributing less than \$2,000 in verified EDRST 2019 revenue and incurring eligible business expenses in 2020 are eligible to receive a one-time reimbursement not to exceed \$2,000.

Disbursement of Funds: Quarterly

Disbursement of funds for businesses receiving more than \$4,000.00 will be in four quarterly payments in approximately equal amounts.

Business Retention

The intent of this Program is to assist those businesses that intend to remain in the City of University City. Accordingly, any business that receives Round 4 funding will be required to remain open in University City for at least two years after the final payment of loan funds. If the business relocates outside of University City or closes before then, the loan will not be forgiven.

Funding Source

University City Economic Development Retail Sales Tax (\$700,000 Allocated)

Application Process

Interested businesses should contact Clifford Cross, Director of Planning & Development at 314-505-8516 or by email at ccross@ucitymo.org, or Jenny Wendt at jwendt@ucitymo.org to learn more about the Program and determine preliminary eligibility. Applications will be reviewed based on funding availability. Applications which are complete and meet Program criteria will be evaluated for compliance with funding priorities. Detailed information about the business will be required, and eligibility for a loan does not guarantee that one will be made.