

# **SSF Small Business Relief Fund**

## **FAQs**

You must submit a completed application and receive a confirmation number by 5pm on May 8. You can access the application information at [www.ssf.net/bizresources](http://www.ssf.net/bizresources) or go directly to the application through this link:

<https://ssf.slideroom.com/#/login/program/54579/ZeNcv5MT60>.

This FAQ includes the following topics. Click on the link to go to the appropriate list of questions in the following sections:

**[Questions about the Application Period and Lottery](#)**

**[Questions about Eligibility Requirements and Documents](#)**

**[Questions about Employees](#)**

**[Questions about the Loan Terms](#)**

### **Contact Information:**

Website:	<a href="http://www.ssf.net/BizResources">www.ssf.net/BizResources</a>
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## **Questions about the Application Period and Lottery:**

**Q: How much money can a business apply for?**

A: You can apply for micro Loans of \$10,000 or \$15,000, if eligible.

**Q: When can businesses apply?**

A: The 1<sup>st</sup> Application Round opens Wednesday, May 6, 2020 at 10:00 am and close on Friday, May 8, 2020 at 5:00 pm. The 1<sup>st</sup> Lottery Round will occur during the Week of May 11<sup>th</sup>

**Q: Where is my email confirmation when I first create an account (before submitting the application)?**

A: Email confirmation will be coming from Slide Room, not the City of SSF. If you still do not receive it, you can email [support@slideroom.com](mailto:support@slideroom.com), or call (617) 729-2758.

**Q: What is the Lottery?**

A: In order to make sure that our process is equitable to all businesses, the City will hold 3 lotteries: Week of May 11<sup>th</sup>, end of May, and early July. Those meeting basic eligibility criteria will be entered into a lottery. The City will then work with businesses selected from the lottery to confirm eligibility and credit-worthiness, underwrite the loans, and disperse the funds

**Q: How long will it take for my business to receive a decision that the application is in the Lottery?**

**A:** The City intends to hold the first Lottery during the later part of the week of May 11. Completing the application and being selected from the lottery does not guarantee your business will be granted a loan. If selected from the lottery, you will be asked to provide additional documents and ask more questions. The City will then review this information and determine your final eligibility for the loan. During this loan underwriting process we will provide you with the terms of the loan, should it not be forgiven after 90 days. For the first 90 days of the loan, there are no payments and no interest accrued.

**Q: How will we be notified that we are in the Lottery?**

**A:** Following the first Lottery during the week of May 11, the City will email the first ten businesses.

**Q: When you apply for an SBA/EIDL and this micro loan, do you get two different e-mail confirmations and two tracking numbers?**

**A:** Yes, absolutely. This is completely separate from the SBA loans. This loan is administered by the city and any communication about this loan will be through city staff. You can apply for both but they cannot be used for the same purpose. Example: If the SBA loan was used for rent, then this could be used for working capital.

**Q: I have applied for the PPP and just got that. I also have applied for SMC Strong fund, and for Facebook and haven't heard from them. Can I still apply for this grant and then can it still be forgiven?**

**A:** PPP is used specifically for payroll. That's a federal program. Facebook and SMC Strong are all grant opportunities that were not federally funded. We're just looking at the federally funded. If a business did receive PPP funding for payroll,

they can definitely apply for this but it would just have to be used for something other than payroll.

**Q: Would I have a better chance of getting approved for the ten-thousand-dollar loan than the fifteen-thousand-dollar loan if I qualify for both?**

**A:** No, the way that this program works is if you meet these very preliminary eligibility criteria that are included in the online application, you'll be entered into a lottery. We'll select the first 10 businesses from the lottery, just in this first round. Those businesses will then be qualified for whatever size loan they're requesting.

As long as you can, through the underwriting process, demonstrate that that you're eligible through retention one employee for ten thousand or for two employees then you would qualify for that fifteen thousand dollar loan through the loan underwriting process. At the end of that, we'll see how much money if everybody qualifies for the fifteen thousand dollar loan. Then we'll obviously have less funds available for the second and third rounds of applications and lotteries that we intend to do.

**Q: Why are there three application periods?**

**A:** The reason why we're separating this loan program into three application periods and three lotteries is because we want to make sure that we're not leaving anyone behind. This first round will allow us to see how the application goes, how quickly we can underwrite the loans and how quickly we can disperse the funds. This loan program is unlike any that that's happening right now in our Bay Area. Most programs are doing grants. This is really a requirement of the federal source of funding. It has to begin as a loan. We're trying to make sure that everybody who's eligible has equal access to these loans and that's why we're doing the three lotteries.

**Q: What if I am not selected in the first lottery round? Do I need to reapply?**

**A:** If you aren't selected from this round but you do meet our eligibility criteria, we'll automatically enter you into the next round of funding but we'll also open the doors to anyone that missed the first round.

**Questions about Eligibility Requirements and Documents:**

**Q: What are the eligibility requirements for the loan program?**

**A:**

- Have a physical location in South San Francisco
- Have been open and operating in South San Francisco for at least 3 years
- Have a valid SSF Business License
- Employ between 2 and 25 employees, or generate less than \$5 million in annual gross receipts
- Either be located in the SSF Program Area, or employ at least 1 low-income employee who lives in a low-income census tract
- Be economically impacted by COVID-19

**Q: What documentation needs to be included with an application?**

**A:**

- Copy of SSF Business License
- Documentation showing number of employees, or document showing total gross receipts from 2019 or 2018
- Document showing low-income employee address (W-4, I-9, etc)
- Copy of qualifying employee paystub from February 2020
- Profit-Loss Statement (IRS Schedule C)

**Q: Does a self-employed one person business qualify?**

**A:** Yes, if you reported annual gross receipts of less than \$5 million

**Q: If we have just been approved for the PPP loan, can we still apply?**

**A:** Yes, absolutely, please apply.

**Q: Does the qualifying employee have to live in South San Francisco?**

**A:** No they do not.

**Q: My business is not in the CDBG Program Area on the map - can I still qualify?**

**A:** As long as you have at least one employee that's low income

**Q: Where must businesses be located to be eligible to apply?**

**A:** The business must either be located in the SSF Program Area, or employ at least 1 low-income employee who lives in a low-income census tract. You can find your business location on the application map. Type in your address to confirm that your location is in the Program Area. If your business is not in the Program Area, type in the employee's address in the Loan Application form to determine if he/she is located in a low-income census tract.

**Q: If I am unable to find a copy of my SSF Business License, can I use another document to prove that I am an active business? I don't have a copy of my Business License. I contacted the Finance Department to request an electronic copy. Will this work?**

**A:** Yes, as long as it's showing the date and business license number on the

document

**Q: I am self-employed and I didn't have a W2, but I do have my 2019 tax report with schedule C. Am I eligible for this loan and I can use my tax report for the document needed?**

**A: Yes**

**Q: Why the three-year rule for businesses to qualify?**

**A:** This program has been approved by the South San Francisco City Council and these eligibility criteria were set by the council to ensure that well established businesses in our community that have made a long-term commitment to South City are first in line to receive these funds. We understand that it will exclude some newer businesses but given the size of the loans and the amount of funding that is available for this program that was the eligibility criteria that was selected.

**Q. I've only been open since November 2017. Am I not eligible?**

**A:** No, unfortunately, you would not be eligible since you do not meet the 3 year minimum requirement. We want to make sure that if you aren't eligible for this funding source that you are applying to everything else you may be eligible for and staff from our team are extremely well versed in the other funding sources out there and will gladly connect you with others that they may be able to help you out. Contact our staff at [bizresources@ssf.net](mailto:bizresources@ssf.net).

**Q: Question #2 on the application, SSF business license, asks for "yes," "no" or "other." What is the "other" for?**

**A:** We thought it was important to provide that other category in case a business owner doesn't have access to their business license. Example: Let's say that the business owner does not have the picture to upload or maybe has been diagnosed with Covid-19 and cannot leave the home to get the copy of the business license. Another example would be that you applied for a business license on March 1<sup>st</sup> or your business license had expired and you had renewed it, but you haven't received that mail because, again, it goes to your business and your yourself isolating at home or something like that.

We don't want you to be precluded because you don't have access to a document. If you have an extenuating circumstance and you want to click other and explain that extenuating circumstance, that is the purpose of the other category. We wanted to err on the side of caution of giving everyone and an opportunity to explain themselves if they do not currently have access to the business license.

**Q: The three owners of the business make less than the income threshold? Would they still qualify?**

**A:** Yes.

### **Questions about Employees:**

**Q: Can a single owner as the sole employee on payroll apply?**

**A:** yes, as long as that employee or as long as that company with that one employee has gross receipts, less than five million dollars, they would they would qualify.

**Q: If the employee is married, do we count the spouse's income?**

**A:** That would probably be referenced in how they submitted their taxes and that's going to be what we would look at the on gross receipts and who is on the payroll. That should be explained through the tax documents.

**Q: Is it a requirement that the low-income employees must live in South San Francisco?**

**A:** No, the employee can live anywhere in the Bay Area. We provided some of those low-income thresholds. Example: They could live in the Central Valley and be commuting into the Bay Area as long as they are located in a low-income areas that we have shown with the GIS mapping tool to verify.

**Q: Would just the paycheck stubs be sufficient or do you need the W-4 and I-9 as well?**

**A:** If the paycheck is sufficient if it includes the employee's address. If not, any document that includes the employee's address will be acceptable.

**Q: Is the low-income definition of an employee based on the salary from this business or the employee's total income?**

**A:** Total Income from all employment or jobs with different businesses.

**Q: Are both full-time and part-time employees counted in the allocation of funds?**

**A:** Yes

**Q: How do I know if my business has less than 25 FTE and what is an example of Full time equivalent (FTE)?**

**A:** Add up the number of full-time employees and use the FTE example to

determine how your part-time employees equate to a full-time employee equivalent. To determine the FTE number for part-time employees, add the total number of hours worked in a week by all part-time employee, and then divide that number by 40. For example, if a business has four part-time employees who work a total of 40 hours per week, those employees equal one FTE.

**Q. Do part time employees count as low-income employees?**

**A:** Yes, absolutely. If you're selected from the lottery, we will do a deeper look at your employees to ensure you qualify. Example: If you have two low income employees who together make up one full time equivalent, that's what we'll be looking for in this preliminary application. We wanted to keep it simple and not complicate it by doing math about all of your employees and adding up all their hours and dividing by 40 to reach full time equivalent. We will be doing that math if you're selected from the lottery. That's when we'll want to make sure that your eligible employees, if they don't individually have 40 hours a week, a few of them total to 40 hours a week to meet that full-time equivalent requirement. For the preliminary application, just showing us one employee is sufficient.

**Q: I don't have any employees in payroll, only independent contractors but we make only \$120,000 a year approximately. Do I qualify?**

**A:** Yes, because you make under the five million dollars in gross receipts annually you do qualify. An example of this could be a hair salon: You have a physical location. You are located in South City. You've been open for 10 years. But typically, in hair salons, your staff are actually renting a chair. And so, your revenue is really derived from those chair rentals and maybe a cut of the stylists' fees. So that's a great example where you would have all independent contractors but a physical location and you make under that five million-dollar gross receipts threshold.

**Q: Is the low-income criteria based on the employee's salary or their total income? Are we looking at that employee's total income across their three jobs or just at the salary derived from this one business that's applying?**

**A:** It would be just the salary derived from this one business but we will we will confirm that upon the application review and this is actually a great question to send to [bizresources@ssf.net](mailto:bizresources@ssf.net) for us to be thinking ahead about in regards to your business. Please don't let that stop you from applying because the worst thing that can happen is that you complete this relatively brief application and we will confirm the qualification if selected.

### **Questions about the Loan Terms:**

**Q: What can the loan be used for?**

**A:** The funds for SSF small businesses can be used to cover operating expenses and business losses during the SIP period. The operating expenses may include rent/mortgage payments, payroll and utilities.

**Q: Does the business have to pay back the money?**

**A:** Loans become forgivable after 90 days if 1-2 low income employees are retained

**Q: How long will it take for my business to receive a decision on funding?**

**A:** If selected from the lottery, you will be asked to provide additional documents and ask more questions. The City will then review this information and determine your final eligibility for the loan. During this loan underwriting process we will provide you with the terms of the loan, should it not be forgiven after 90 days.

**Q:** When will payments start to be due on the loan?

**A:** Deferred payments for 90 days at no interest. If business retains 1-2 low income employees, then the loan becomes a grant, after 90 days.

**Q:** Can I apply for this loan if I have recently received another loan to help me cover my losses (such as loans from the state or SBA loans through federal government)?

**A:** Yes

**Q: What is the interest rate?**

**A:** These are starting out as loans, so it's going to be a zero percent interest rate for the first 90 days. Once we get through that 90-day period, we'll be asking for documentation and proof that you retain the low-income employee, or two. Then at that time, it would either be converted to a forgivable loan or it would be underwritten again. We're quickly developing those loan terms at that second phase after the 90 days. So initially, zero percent interest rate.

The loan will be competitive with other relief loans out there. The intention is not to have super high interest rate if, in fact, you aren't able to retain the employee and you need to pay back the loan. We won't ask you to sign up for a loan without knowing the interest rate, but because we're trying to stand up this program very, very quickly, that's a question that we're still in the process of determining.

**Q: If I use the loan for rent only, would it be forgiven because my business is not allowed to be open for now?**

**A:** As long as you retain those employees, then, yes, you would be considered for having it converted to a forgivable loan. You may need to use those funds for

rent, but the intention of the loan is to maintain the low-income employees. So as long as you're able to do both, then, yes, you would be considered for loan forgiveness.