

## COVID-19 UPDATE FOR MORGAN HILL BUSINESSES

### Dear Morgan Hill Business Leaders:

Last week we issued a COVID19 [Business Resources](#) Newsletter, sharing the City's Business Resources web page with the most relevant and up-to-date information for employers and employees and a [COVID-19 Impact Survey](#) (please complete).

We also hosted the first virtual Business Resiliency Roundtable on Financial Resources with representatives from SBA, SBDC and Grow Morgan Hill Fund. For a recording of the webinar, please visit [www.choosemorganhill.com/covid19roundtables](http://www.choosemorganhill.com/covid19roundtables).

Businesses are encouraged to apply for both, the [Paycheck Protection Program](#) (PPP) and the [Emergency Injury Disaster Program](#). Both programs are available to non-profits and religious organizations. Scroll down for a comparison of both programs.

A new program was created for businesses with up to 10,000 employees or revenues less than \$2.5B. The **Federal Reserve New Main Street Lending Program** offers four-year loans with one-year payment deferrals for affected businesses that make "reasonable" efforts to maintain payroll and retain employees. Contact your lending institution for more information!

Facebook announced grants for businesses with two to 50 employees that have been in business for one year. For more information visit <https://www.facebook.com/business/boost/grants>.

Finally, Let's give a shout out to companies that are supporting the COVID19 recovery!

- [Specialized Bicycles](#) for shifting gears to fill the need on masks!
- [All Sensors](#) for making sensors for hospital ventilators.
- [Lin Engineering](#) is increasing motor production for ventilators
- [Paramit](#) for continuing to innovate medical equipment solutions.

To these companies and to all that are working tirelessly to support our businesses, on behalf of the Economic Development team, thank you!

## Business Resiliency Roundtables

**Tourism Roundtable**  
with the California  
Tourism Association  
**April 17, 2020**  
10:30 a.m. to 12:00 p.m.

**Communication Resources (Website, Social Media)**  
with Articulate Solutions  
**April 22, 2020**  
10:30 a.m. to 12:00 p.m.

**Manufacturing Roundtable**  
with MANEX and BAUM  
**April 24, 2020**  
10:30 a.m. to 12:00 p.m.

**Retail Roundtable**  
with FedEx  
**May 1, 2020**  
10:30 a.m. to 12:00 p.m.

*Register for Business Resiliency Roundtables at:*  
**WWW.CHOOSEMORGANHILL.COM /COVID19ROUNDTABLES**

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## CHOOSE MORGAN HILL

## PPP to EIDL Comparison

PPP to EIDL Comparison	Paycheck Protection Program (PPP)	Economic Injury Disaster Loan (EIDL)
Who can apply?	Small businesses and nonprofits - 501(c)(3)s, including religious organizations, with 500 or fewer employees; self-employed individuals and independent contractors*	Small businesses and nonprofits - 501(c)(3)s - with 500 or fewer employees*
Maximum Loan Amount	Up to \$10 million	Up to \$2 million
Covered Period	2/15/2020 to 6/30/2020	1/31/2020 to 12/31/2020
Rate	1.00% Fixed	3.75% fixed for-profits 2.75% fixed non-profits
Term	Up to 2 years	Up to 30 years
Security / Collateral	No	Yes. If the loan is more than \$25,000
Eligible Uses	Payroll, health benefits, paid sick or medical leave, group health insurance premiums; mortgage and rent payments; utilities; interest on certain debts. Note: payroll estimates limited up to \$100,000 per employee	Working capital for expenses that could have been paid had the disaster not occurred, including payroll and other operating expenses.
Forgiveness provisions	Up to 100% - but forgiveness amounts are decreased for reductions in number of employees or in wages of employees from base period.	Not for loan. An Advancement of up to \$10,000 Emergency Grant for every applicant does not have to be repaid.
Apply...	... <a href="#">through SBA-approved lenders</a>	... <a href="#">directly to SBA</a>
Underwriting criteria	Must provide documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.	Must have acceptable credit history and demonstrate ability to repay.
Eligibility requirements	Operating on 02/15/2020 with paid employees; certify need for funds during COVID-19 emergency; certify use of funds to retain workers.	Operating on 1/31/20; certify need for funds during COVID-19 emergency.

## QUICK LINKS

- **U.S. SMALL BUSINESS ADMINISTRATION (SBA) PROGRAMS**
  - [Economic Injury Disaster Loan \(EIDL\) & EIDL \\$10,000 Advance](#)
  - [Paycheck Protection Program \(PPP\)](#)
  - [\\$25,000 Express Bridge Loan](#)
  - [Debt Relief Program](#)
  - [IRS Employee Retention Credit](#) (CARES Act Small Business Tax Provisions)
- [Paid Sick Leave Guidance](#) by U.S. DEPARTMENT OF LABOR
- [Disaster Loan Guarantee](#) by California Small Business Finance Center (SBFC) for small businesses experiencing barriers to accessing capital
- [60-day Extension for payroll tax filing](#) -Employment Development Department (EDD)
- [State Income Tax extension](#) to July 15 by Franchise Tax Board (FTB)

Department of Labor and Workforce Agency – provides employers with information and guidance about:

- [California Worker Adjustment and Retraining Notification](#) (WARN Act)
- [Workplace Health and Safety Guidelines](#)
- [Reduced Work Hours, Potential Closure or Layoffs](#)
- Interest-free deferral of sales any use tax Department of Tax and Fee Administration (CDTFA)
- Ask a [participating lender](#) about the [California Capital Access Program](#) (CalCAP) for small businesses that have difficulty getting financing
- Job opportunities in critical industries at [OnwardCa.org](http://OnwardCa.org)

<a href="#">City of Morgan Hill Information for Businesses during COVID19</a>	<a href="#">Business Resiliency Roundtables</a>
Non-emergency COVID19 Number: 408-767-6404V	<a href="#">County of Santa Clara Public Health</a>
<a href="#">Grow Morgan Hill Fund</a>	<a href="#">Morgan Hill Chamber of Commerce</a>
<a href="#">Morgan Hill Downtown Association</a>	<a href="#">Visit Morgan Hill</a>
<a href="#">Wineries of Santa Clara Valley</a>	<a href="#">SBDC</a>
<a href="#">US Chamber of Commerce Emergency Loans &amp; Small Business Guide</a>	<a href="#">COVID19 Business Impact Survey</a>
<a href="#">Morgan Hill Takeout &amp; Delivery Options</a>	<a href="#">Don't Isolate...virtually congregate!</a>

Program	Level of Government	Type of Assistance	Apply with
<a href="#">California Disaster Relief Loan Guarantee</a>	State	Loan guarantee	Nor-Cal FDC
<a href="#">California Capital Access Program (CalCAP)</a>	State	Loan guarantee	Participating lender
<a href="#">Small Business Relief Sales/Use Tax Payment Deferral Plan</a>	State	Tax payment deferral	CDTFA
<a href="#">Economic Injury Disaster Loan (EIDL)</a>	Federal	Low-interest loan	SBA
<a href="#">Economic Injury Disaster Loan Advance (EIDL Advance)</a>	Federal	Loan advance; does not need to be re-paid	SBA
<a href="#">Paycheck Protection Program (PPP)</a>	Federal	Loan; may be forgiven if certain conditions are met	Participating lender
<a href="#">Small Business Tax Provisions/Employee Retention Credit</a>	Federal	Tax credit	IRS
<a href="#">SBA Debt Relief Program</a>	Federal	Temporary Reprieve or payment deferral	SBA
<a href="#">SBA Express Bridge Loan</a>	Federal	Loan	Participating lender

Tax Type	Filing Deadline	Payment Deadline
<a href="#">Federal income tax</a>	Postponed to July 15, 2020	Deferral to July 15 is capped at \$1 million of federal income tax (including self-employment tax) for individual and other non-corporate tax filers and \$10 million for corporate taxpayers.
<a href="#">State income tax</a>	Postponed to July 15, 2020	Postponed to July 15, 2020
<a href="#">State taxes and fees administered by CDTFA</a>	Postponed 90 days for businesses filing a return for less than \$1 million in tax. First Quarter Sales/Use tax returns now due July 31, 2020.	Postponed 90 days for businesses filing a return for less than \$1 million in tax.
<a href="#">State payroll tax</a>	No change.	Ability to apply for hardship waiver for up to 60-day extension through EDD
<a href="#">County property tax</a>	No change to April 10 due date.	No change to April 10 due date. Ability to apply for hardship appeal to waive late-payment penalty through County Tax Assessor's Office.