

NOTICE

As of October 30, 2025, the following language has been updated for clarity regarding owners of multiple businesses.

Business owners may submit only one application for a business located within the City in which they hold majority ownership. If an individual owns multiple businesses in the City, they may only apply for *one* of those businesses — the one where they are the majority owner. However, individuals who are passive investors or minority owners (owning 20% or less) in other businesses may still be eligible to participate under a different majority owner, provided that the majority owner of that business has not already applied or participated in the program. Ownership must be verifiable, and formation or operational documents may be requested as evidence.

CITY OF COVINA

Business Assistance Job Creation Program Program Description & Guideline



Program Description

The City of Covina Business Assistance Job Creation Program (Program) is designed to assist eligible commercial businesses within the City of Covina by offsetting the staffing costs of newly hired, income-eligible employees and creating jobs to assist members of the community in obtaining employment. The City Council has determined there is a public benefit to the residents and businesses of Covina by facilitating the hiring of income-eligible employees to be working for Covina businesses, which therefore adds additional jobs to the local economy. The City Council has approved program funding on December 5th, 2023. The program is funded through General Funds totaling \$250,000. The program will allow for 10 businesses to receive up to \$25,000 in forgivable loans, which should be used for personnel costs to hire an income-eligible employee. A pre-application submitted by interested businesses will be required for participation of the program. Pre-Applications will be accepted and evaluated on qualifications and program focus.

Businesses chosen to move forward will be required to obtain documentation from the job applicant at the time of hiring which proves that the applicant's income is at or below 80% of the Area Median Income (AMI) for their household size. Details regarding income limits can be found in Attachment D. The job created must be a permanent full-time equivalent employment. The program would require that the new full-time employment position remain in effect for one year. While it is a loan program, if the applicant has maintained compliance with the Program Guidelines during the one-year loan term, the interest-free loan will be 100% forgiven.

Only one (1) application per business will be considered. Owners of multiple businesses may only submit one (1) application for one (1) of their business located within the City. Business owners may submit only one application for a business located within the City in which they hold majority ownership. If an individual owns multiple businesses in the City, they may only apply for *one* of those businesses — the one where they are the majority owner. However, individuals who are passive investors or minority owners (owning 20% or less) in other businesses may still be eligible to participate under a different majority owner, provided that the majority owner of that business has not already applied or participated in the program. Ownership must be verifiable, and formation or operational documents may be requested as evidence.

Applicants who have participated in the Business Capital Assistance Programs (Existing Business Capital Assistance Program and or the New Business Vacant Storefront Capital Improvement Program) previously are not eligible to apply for assistance again.

Program Procedure

Pre-applications for participation in the Program are available by emailing BCapital-Assistance@covina.gov. Applicants who have previously submitted a Pre-application to be on the waiting list for Business Capital Assistance Programs (Existing Business Capital Assistance Program and the New Business Vacant Storefront Capital Improvement Program) will be reviewed first.

Pre-Applications will be accepted on a rolling basis until funds are depleted. Pre-applications will be reviewed for qualifications and those that meet the basic qualifications will be contacted to complete a full application with supporting documentation.

The full applications will be scored based on program focus areas. If an applicant scores below 75 points on their application they will be deemed ineligible to continue. All applicants will need to score 75 and above on their application and completed their application in its entirety, signed and submitted with all required documents as listed in the application. Applications will be reviewed in the order in which they are received. Incomplete applications will not be processed. An appointment is required with program staff to submit the application. To request an appointment, contact Alice Leung, Management Analyst from the Special Projects Division at (626) 384-5509 or email BCapital-Assistance@covina.gov. Application approval is subject to funding availability. Program staff's eligibility determination is not a commitment of funds. Funds shall only be committed upon the full execution of the Contract Agreement and other pertinent documents.

Program Eligibility Criteria

To be eligible for the Program, the business must be located in the City of Covina and meet the following requirements:

- a. Business must be listed in Attachment A and be considered a “nonessential” business to qualify for funding
- b. The business must not be delinquent on any existing debt obligations to the U.S government (no past defaults).
- c. No outstanding code violations.
- d. Business must meet all State and local building and zoning codes.
- e. Building must directly front/face a public right-of-way.
- f. A Covina business license or a pending application.
- g. Business will need to provide liability insurance.
- h. The business will need to provide a business plan that includes a budget, initial start-up costs, fixed costs, variable costs, and critical/optional expenses, and profit margins. Please refer to Attachment C for Business Plan Outline.
- i. The business must provide copies of official filing with the California Secretary of State, if applicable, or local municipality for the business such as one of the following: Articles of

Incorporation, Certificate of Organization, Fictitious Name of Registration or Government-Issued Business License.

- j. All business owners with a 20% or greater ownership will need to submit a copy of an acceptable form of government issued identification.

Ineligible Businesses

- Businesses not visible from the public right-of-way or publicly owned space.
- Home-based businesses.
- Independent contractors (i.e., consignment booths, salon chairs, etc.).
- Any national chain that is not locally franchised.
- Massage parlors and bail bond services.
- Corporate-owned fast-food restaurants (franchisees are eligible).
- Check cashing, bars, liquor stores, smoke/cannabis shops, firearms retailers, pawnshops.
- Non-profit organizations or service providers.
- Religious institutions
- Real estate salespersons.
- Financial businesses primarily engaged in the business of lending, such as banks and finance companies.
- Passive businesses owned by developers and landlords that do not operate an active business or occupy the assets acquired, improved, or operated with the grant proceeds (except Eligible Passive Companies under § 120.111).
- Life insurance companies.
- Businesses located in a foreign country (businesses in the U.S. owned by aliens may qualify).
- Pyramid sale distribution plans. (i.e. Amway, Herbalife, Mary Kay.)
- Businesses deriving more than one-third of gross annual revenue from legal gambling activities.
- Businesses engaged in any illegal activity.
- Private clubs and businesses which limit the number of memberships for reasons other than capacity.
- Government-owned entities (except for businesses owned or controlled by a Native American tribe).
- Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting.
- Loan packagers earning more than one-third of their gross annual revenue from packaging SBA loans.
- Businesses with an Associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude.
- Businesses in which the participating city or any of its Associates owns an equity interest.
- Multi-national or publicly traded businesses are not eligible for this program.

- Businesses in Medical, Dental, Physical therapy Rehabilitation and Veterinarian hospitals are not eligible for this program.
- Adult businesses which:
 - Present live performances of a prurient sexual nature; or
 - Derive directly or indirectly more than *de minimis* gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Business or owner listed on the Federal Excluded Parties List (EPLS) maintained on www.sam.gov.
- Business owner must not be a City of Covina employee.

Documentation Criteria

The preselected applicants will be invited to complete a full application with all documentation. All documentation will need to be returned to the City within (2) weeks of notification of eligibility by the City. The documentation criteria are as follows:

1. Must provide a copy of their current lease agreement/mortgage statement for the commercial space their business occupies.
2. Provide completed vendor forms (W-9 and CA 590 form).
3. Organizational documents such as fictitious business statements, articles of incorporation, operating agreements, etc.
 - For corporations: copy of recorded Articles of Incorporation **and** Bylaws.
 - For partnerships (general or limited): copy of Partnership Agreement and GP-1 or LP-1.
 - For LLCs: copy of recorded Articles of Organization **and** Operating Agreement.
 - For sole proprietorships: recorded Fictitious Name filing, if available.
 - If a trust is involved: Trust Agreement **and** names of trustees and signers.
4. All business owners with a 20% or greater ownership must submit the following:
 - a. An acceptable form of government issued identification.
 - b. A completed Authorization to Release Information form
5. A copy of current Covina Business License.
6. A copy of business insurance and liability.
7. Document which specifies what person/s in a corporation or partnership is authorized to sign documents and assume debt on behalf of the business.
8. A Business Plan as outlined in Attachment C.
9. A copy of the business time-off request policies.
10. Upon approval of application, the business will need to maintain employee(s) hired under this program for at least one (1) year. Business will be required to provide documentation of employment for persons at 80% or less of area median income. A close out report will be required for review to determine compliance with Program requirements.

All of the above criteria are important, and the absence of any one may be sufficient to deny a grant request. Please note that Participant may be required to submit additional documentation, as requested by Program staff, in instances where additional application clarification is required.

Job Creation Requirement & Term

Program Participation Period:

The required period of time for program compliance and loan forgiveness is one year (Participation Period) from the hiring date of the eligible job created. The grantee is responsible for retaining any documentation evidencing eligible expense use and subject to an audit to evidence such use of loans. Should the grantee not meet the obligations as required in the Contract Agreement, loaned funds will be due and payable to the City.

Sale of Business During Program Term

Any business receiving program funding shall disclose the information and details of the loan upon sale or transfer of the business to any subsequent owner. In the case of sale of a participating business during the one-year program term, the new buyer must provide a complete application and written agreement to the City affirming assumption of all conditions of the grant for the remainder of the term.

Close of business

Any business receiving program funding shall disclose the information and details of close of business 30 days in advanced. The City may require the business to return a portion of or the entire loan, including but not limited to any fees or costs incurred.

Created Jobs Defined:

"Jobs created" is defined as a full-time equivalent position or positions which are filled by a person or persons who are not a current or previous employee. Full-time is defined as 40 hours of work per week. To qualify, the person hired must be from a low-to moderate-income household. To qualify as low-to moderate-income, information must be obtained on family size and income so it is evident that gross annual family income does not exceed the low-to moderate-income limit. Gross annual income limits can be found in Attachment D. The following additional policies apply for new employment positions:

- a. Multiple part-time positions may equal full-time equivalents (i.e., two new part-time positions each working 20 hours per week would be considered one full-time equivalent).
- b. Only permanent positions count – temporary jobs may not be included.
- c. Seasonal jobs may be counted only if the season is long enough for the job to be considered as the employee's principal occupation.

Annual household income eligibility as established in the U.S Department of Housing and Urban Development (HUD)," Moderate-Income" limits is based on the following two (2) factors:

- a. The total number of persons residing in the household; and
- b. The total amount of the gross annual household income.

Household Defined:

A **Household** is defined as all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of persons who share living arrangements. Therefore, household member information must include, at a minimum, the following:

- 1) Full names and ages of all family members as well as any unrelated persons living in the residence; and
- 2) Signature of the primary applicant(s), certifying that the information provided related to the annual household income and household members is correct.

Eligible households must be below the “Moderate Income” limits for confirmed household size. These limits will be updated when new income limits are provided by HUD.

Full-time Equivalent (FTE) Defined:

For the purposes of this program, Full-Time Equivalent (FTE) is defined as forty (40) hours of paid full-time work in a seven-day period. In the medical and dental fields, the industry practice defines full-time positions as 32 to 36 hours of work in a seven-day period. Therefore, the only exception to the forty-hour definition of FTE position requirement will be for positions created in the medical and dental fields, when the written personnel policy of the participating business states clearly the number of hours that constitutes full-time positions as 32 hours or more.

Application and Scoring Process

1. Applications will be accepted and evaluated for completeness and Applicant eligibility.
2. Applications will be evaluated in accordance with the scoring criteria as listed below.

Rating/Scoring Criteria of Pre-Application		Maximum Possible Points:
Part 1	Business Plan. The business plan should precisely define its business, identifies its goals, and services as the business’s resume. Please refer to Attachment C Business Plan Outline for reference.	25 points
Part 2	Type of for-profit Business (See Attachment A for type of project business is categorized under.) <ul style="list-style-type: none">• New Retail/Commercial - 15 points• Food and drink establishments – 25 points• Art gallery and supplies – 10 points• High-tech industrial uses - 5 points• Entertainment – 15 points• Manufacturing – 5 points	25 points

Part 3	Owner/Operator Experience. The management team's business experience that directly or indirectly relates to their business.	10 points
Part 4	Economic and Quality of Life Impact. The economic impact and the business' impact on the quality of life of the community in which the business is located.	10 points
Part 5	Future Prospects for Growth. The future prospects for short- and long-term growth of the business.	10 points
Part 6	Business Ambiance. Describe the décor, colors and textures, front desk, furniture and fixtures, lighting, music, entertaining material, marketing/promotional perks, staffing, and restrooms and how they attribute to the business ambiance. Describe how does the business create a comfortable ambiance and a memorable experience for the customers.	20 points
Total Possible Points:		100 points

Application and Award Process

Step 1.	Pre-applications will be reviewed for qualifications and those that meet the basic qualifications will be invited to complete a full application with supporting documentation within (2) weeks of notification of eligibility by the City. If the full application and all documentation is not completed and return to the City within (2) weeks of notification of eligibility by the City, the applicant will be disqualified.
Step 2.	Applications that are complete, with all of the required documentation, will be reviewed and underwritten. Program staff will review application information and provide an eligibility determination within 14 business days. Program staff will advise Applicants of any deficiencies within incomplete applications, and indicate corrective measures required.
Step 3.	Applications will be reviewed for qualifications and scored. Those with a passing score of 75 and above on their application will be notified of approval.
Step 4.	Upon approval of application, Program staff shall schedule an appointment with each qualified Applicant to review program requirements, hiring goals, and reporting and documentation requirements. Applicant will review and sign the grant agreement and all other pertinent documents.

Step 5.	Fund disbursement. A single distribution payment of the total contract dollar amount will be made upon approval/execution of the contract by the business owner/manager. The approximate processing time between executed forgivable loan agreement and fund disbursement is 3 weeks.
Step 6.	Applicant will have three months from the date the forgivable loan agreement was executed to fulfill the employment position, or if for three consecutive months the required position has remained vacant, the forgivable loan agreement will be terminated, and the loan balance will be due and payable.
Step 8.	Business will need to demonstrate hiring was targeted for persons at 80% or below of area median income. If a business is having difficulty hiring a qualified low-and moderate-income person, the City can refer to the Business upon request, a local agency that works with low-and moderate-income individuals who are seeking employment. Business will be required to provide an original copy of a completed and signed "Employee Income Self-Certification" form of employment for all new employment. The template is provided in Attachment B.
Step 9.	During the Participation Period, the Participant is responsible for providing: <ul style="list-style-type: none"> a. Monthly payroll of all employees under program. The payroll shall include at a minimum the following for each required employment position: employee name, job title, hours worked per week, the hourly rate for participating employees, plus any other documentation as determined by the Special Projects Staff. Monthly payroll will be due on the 15th of each month from when full-time equivalent employment started. b. A Close Out report to the Special Projects Division is due along with final payroll submission. The Close Out Report will indicate the number of jobs created and a short narrative of accomplishments for the program. If documentation of expenditure is not provided, funds must be returned to the City. The template is provided in Attachment E.

ATTACHMENT A

TYPE OF PROJECT

Funding priority will be recommended for projects that meet the overall design scope and criteria for the location, create jobs for low- to moderate-income persons, expand economic opportunities and generate sales tax. The following project types will be considered project funding:

- A. New Retail/Commercial
 - 1) Appliance
 - 2) Vehicle
 - 3) Furniture
 - 4) Clothing and shoes
 - 5) Electronic/computer
 - 6) Kitchen equipment
 - 7) Gift stores
 - 8) Health and Sporting Goods stores
 - 9) Book and Entertainment stores
 - 10) Musical Instruments and sound equipment store
 - 11) Upscale grocery and import stores
 - 12) Boutique Day Spa
- B. Food and drink establishments
 - 1) Dinner houses/restaurants
 - 2) Upscale fast food
 - 3) Coffee Shops
 - 4) Bakeries
 - 5) Cafés
 - 6) Gastropubs
 - 7) Microbrewery
- C. Art gallery and supplies
- D. Entertainment-related activities
 - 1) Movie theaters
 - 2) Concert venues
 - 3) Theatre
 - 4) Other live entertainment
- E. High-tech industrial uses
 - 1) Aerospace-related
 - 2) Computer
 - 3) Bio-Tech

F. Manufacturing

Manufacturing is defined as follows: To be engaged in the production of something different and distinct from the original article. Substantial transformation is required, resulting in a change to its superficial appearance and altering its substantial character. Manufactured goods are goods made by machinery in large quantities, from primary goods such as steel and textiles, and baked goods.

ATTACHMENT B
CITY OF COVINA BUSINESS ASSISTANCE JOB CREATION PROGRAM
EMPLOYEE INCOME SELF-CERTIFICATION FORM

Name of Employee: _____

Employer Address: _____

Employer: _____

Job title: _____

Date Hired: _____ Number of hours worked per week, on average: _____

Please indicate job position is full-time or part-time (please check one): ☐ F/T ☐ P/T

1. Number of People in Household (household size): _____

2. Please circle your household size and income level (from all sources):

2025 INCOME LIMITS			
Number of Persons	Extremely Low-Income	Low-Income	Moderate-Income
1	\$31,850	\$53,000	\$84,850
2	\$36,400	\$60,600	\$96,950
3	\$40,950	\$68,150	\$109,050
4	\$45,450	\$75,750	\$121,150
5	\$49,100	\$81,800	\$130,850
6	\$52,750	\$87,850	\$140,550
7	\$56,400	\$93,900	\$150,250
8	\$60,000	\$100,000	\$159,950

*Please note that these limits will be updated when new income limits are provided by HUD.

3. Ethnic Background:

<p>Racial Background:</p> <p>Mark <u>X</u> next to the category that best describes your origin.</p> <p>Single Categories</p> <p><input type="checkbox"/> American Indian/ Alaska Native</p> <p><input type="checkbox"/> Asian</p> <p><input type="checkbox"/> Black/African American</p> <p><input type="checkbox"/> Native Hawaiian/Other Pacific Islander</p> <p><input type="checkbox"/> White</p> <p>Double Categories:</p> <p><input type="checkbox"/> American Indian or Alaska Native and White</p> <p><input type="checkbox"/> Asian and White</p> <p><input type="checkbox"/> Black or African American and White</p> <p><input type="checkbox"/> American Indian or Alaskan Native and Black or African American</p> <p><input type="checkbox"/> Other-for individuals not identified above</p>

<p>Household Information - Check one:</p> <p><input type="checkbox"/> A female heads the household where this client resides.</p> <p><input type="checkbox"/> A male heads the household where this client resides.</p>
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<p>Ethnic Background</p> <p>Mark <u>X</u> next to the category that best describes your ethnicity.</p> <p><input type="checkbox"/> Yes, Hispanic/Latino</p> <p><input type="checkbox"/> No, Not Hispanic/Latino</p>
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I certify that the above information is true and accurate, and that supporting documentation can be provided upon request.

Employee's Signature

Date

Agency's Approval

Date

ATTACHMENT C
Business Plan Outline

<p>1. Description of Business</p> <ul style="list-style-type: none"> • Name and location • Legal structure • Principal owners • Nature of the business • History of the business • Franchise: include Franchise Agreement with FTC Disclosure <p>2. Product or Service</p> <ul style="list-style-type: none"> • Describe product line(s) or types(s) of service • Describe materials and supply sources • Methods of production • Quality and cost of production or service <p>3. Market Information</p> <ul style="list-style-type: none"> • Market area and trends • Customers and potential new customers • Competition, names, locations and size • Advantage of your product/service over others <p>4. Advertising</p> <ul style="list-style-type: none"> • Methods of advertising and promotion • Sales methods • Pricing policy • Customer service <p>5. Facilities</p> <ul style="list-style-type: none"> • Location • Size and zoning • Age and condition • Business ambiance 	<p>6. Management and Personnel</p> <ul style="list-style-type: none"> • Management expertise • Key personnel (position, qualifications) • Professional services • Present and future manpower requirements • Personnel breakdown-skill levels, hours, wage rates, unionization, etc. <p>7. Benefits to the Community</p> <ul style="list-style-type: none"> • Job created/retained • Building rehabilitation • Meeting community needs • Economic impact/Increase community tax base • Impact on community quality of life <p>8. Summary of Future Plans</p> <ul style="list-style-type: none"> • Short range and long range plans • Expansion/future prospects for growth • Relocation/expansion opportunities • Three years of projections (first year broken down by month) <p>Note: the business plan is an important component to your loan package. It will show how well your proposal has been thought out. One paragraph for each number item is sufficient. An overall length of 2-5 pages is adequate</p>
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ATTACHMENT D

Please note the 2025 State Income Limits are on the Department of Housing and Community Development (HCD) website at

<https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits> and these limits will be updated when new income limits are provided by HUD.

Number of Persons in Household:		1	2	3	4	5	6	7	8
Kern County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750
Kings County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750
Lake County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750
Lassen County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750
Los Angeles County Area Median Income: \$106,600	Acutely Low	11200	12800	14400	16000	17300	18550	19850	21100
	Extremely Low	31850	36400	40950	45450	49100	52750	56400	60000
	Very Low Income	53000	60600	68150	75750	81800	87850	93900	100000
	Low Income	84850	96950	109050	121150	130850	140550	150250	159950
	Median Income	74600	85300	95950	106600	115150	123650	132200	140700
	Moderate Income	89550	102300	115100	127900	138150	148350	158600	168850
Madera County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750
Marin County Area Median Income: \$186,600	Acutely Low	19600	22400	25200	28000	30250	32500	34700	36950
	Extremely Low	41150	47000	52900	58750	63450	68150	72850	77550
	Very Low Income	68550	78350	88150	97900	105750	113600	121400	129250
	Low Income	109700	125350	141000	156650	169200	181750	194250	206800
	Median Income	130600	149300	167950	186600	201550	216450	231400	246300
	Moderate Income	156750	179100	201500	223900	241800	259700	277650	295550

ATTACHMENT E

The City of Covina Business Assistance Job Creation Program Close Out Report

Effective Date of Job Created: _____

Business Name:

Business Address:

Submitted by:

Date Submitted:[illegible]