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City Council Establishes Santa Cruz Resilience Microloan Program to Support Businesses

SANTA CRUZ, CA – At their April 14, 2020 meeting, the Santa Cruz City Council acknowledged the many businesses in the community that are suffering due to the COVID-19 pandemic, required closures, and the limited access and long wait times for federal funding promised through the CARES Act. To provide emergency financing for small businesses that are not well served by other state and federal loan programs or are in need of bridge funding to meet immediate working capital needs the City Council approved the establishment of the Santa Cruz Resilience Microloan Program.

The Resilience Microloan Program will provide loans ranging from \$5,000-\$10,000 to be allocated to eligible, qualified small businesses based on availability of funds, program guidelines and the submission of the online application with required documentation. Loan funds can be used for operating expenses such as rent, payroll, utilities, inventory and supplies. Interest rates vary from 0% for bridge loans up to 3% for terms up to 3 years. No application fee or collateral needed to apply. Applications will be processed and funds awarded in the order received as long as funds are available. This program is funded by the City of Santa Cruz and designed in partnership with the Santa Cruz Community Credit Union.

Economic Development Director Bonnie Lipscomb stated: “We recognize the severe financial impacts our local businesses are facing and the added pressure from the delay or inability to access vital funds to stay afloat. We are pleased to be able to offer this microloan program to serve as a small step towards stabilizing some of our most impacted small businesses and their employees and we are continuing to seek additional resources from the state and federal level to support our local businesses through this economic hardship.”

Details about the program application requirements and process will be posted on the Economic Development website at www.choosesantacruz.com/microloan.

The City’s Economic Development Department also maintains a business resources webpage (choosesantacruz.com/coronavirus) with local, state and federal resources for businesses and workers who become financially impacted from the COVID-19 outbreak and response. This webpage is being updated regularly as new information and resources become available.

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Please visit the City's website for current information regarding impacts to City services by visiting www.cityofsantacruz.com/coronavirus.

For general information on COVID-19 please call 211, or text coronavirus to 211211, or visit www.santacruzhealth.org/coronavirus for updates and links to state and federal guidance.

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