

The Covina Economic Development Loan/Grant program (Program) assists in the retention and attraction of qualifying Covina businesses in commercial locations. The purpose of the economic development assistance is to help eligible for-profit businesses meet a financing gap and to become independent, self-sustaining and successful. In return, the businesses will stimulate the economic vitality of the City through job creation and an increase in sales tax.

The Program, funded through federal Community Development Block Grant (CDBG) funds, is an activity designed to create permanent jobs where at least 51% involve the employment of low- and moderate-income persons. A business must be able to demonstrate that the CDBG assistance is necessary for new job creation or retention.

The assistance is designed as a forgivable loan. The business meets the CDBG National Objective of providing a benefit to low- and moderate-income persons through job creation. When compliance has been met for a twelve-month period, the loan is forgiven. In the event of default, repayment is required. Collateral for the loan is required.

Limited funds are available. Project funding is on a first-come, first served basis while program funding is available. The information provided on this page is of a general nature, and subject to HUD and other government regulations. **For more information, or to discuss your project, please call Nuala Gasser, Senior Housing and CDBG Economic Development Manager at (626) 384-5442.**

Additional information is shown below.

ECONOMIC DEVELOPMENT LOAN/GRANT PROGRAM

Program Funding Limits

\$25,000 to \$100,000

Job Creation/Retention Requirements

One job created per \$25,000 awarded

Use of Funds

Funds may be used for machinery, equipment, and furniture purchase and installation*; working capital;

Compliance/Record-keeping

Quarterly compliance reports are submitted to the City; records must be maintained for five years after o

Collateral

Collateral will be required. Forms of collateral can include real estate, vehicle title, or security interest on

Business Contribution

Preferably 2/3 of the project cost will be business contribution and bank participation, and 1/3 Economic

*Labor Standards

If the project includes construction and/or installation, Federal Labor Standards may apply.

[Click here](#) to see the program flyer.

[Click here](#) to see a more detailed requirement and approval description.

The program policy is available [here](#) .

Categories of eligible businesses are:

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 stores
11. Upscale grocery and import stores
12. Boutique Day Spa

QUALITY FOOD ESTABLISHMENTS

1. Dinner houses/restaurants
2. Upscale fast food

ART GALLERY AND SUPPLIES

ENTERTAINMENT-RELATED ACTIVITIES

1. Movie theaters
2. Concert venues
3. Theatre

HIGH-TECH INDUSTRIAL USES

1. Aerospace-related
2. Computer
3. Bio-Tech

MEDICAL AND DENTAL USES

1. Professional offices
2. Physicians
3. Dentists
4. Full Service Medical Hospitals
5. Medical clinics
6. Veterinarian hospitals
7. State licensed physical therapist rehabilitation centers

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.

E-BUSINESS

Businesses to be considered will have their point of sale in Covina, and will have an office or storefront in a commercial location in Covina to take orders as well as a warehouse to fill the orders in Covina, and will meet the following criteria: add value to the community, create jobs, generate sales tax and leverage non-city funds. As defined here, e-business include e-tailing (direct selling) but not e-service (provision of service and tasks over the internet).