



Mendocino County

Legislation Text

File #: 20-0422, Version: 1

To: Board of Supervisors

From: Planning and Building Services

Meeting Date: May 19, 2020

Department Contact: Adrienne Thompson

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Department Contact: Brent Schultz

Phone: 234-6650

Item Type: Noticed Public Hearing

Time Allocated for Item: 5 Mins

Agenda Title:

Noticed Public Hearing - Discussion and Possible Action Including Adoption of Resolution Authorizing Submittal of an Application to Utilize On-hand Community Development Block Grant Program Income (CDBG PI) for Establishing and Funding a Business Assistance Revolving Loan Fund (RLF); Further Authorizing CEO to Execute Documents Associated with Program Compliance and Making Loans (Sponsor: Planning and Building Services)

Recommended Action/Motion:

Hold the public hearing and adopt the Resolution authorizing submittal of an application to utilize on-hand Community Development Block Grant Program Income (CDBG PI) for establishing and funding a Business Assistance Revolving Loan Fund (RLF); further authorizing CEO to execute documents associated with program compliance and making loans; authorize Chair to sign same.

Previous Board/Board Committee Actions:

None directly related to this item. The County has previously authorized expenditure of CDBG PI, and the County has previously operated a Business Assistance Revolving Loan Fund (RLF).

Summary of Request:

When the County is awarded CDBG funds for an eligible activity, such as business or housing loans, Program Income (PI) is generated from the payments of those loans. As discussed in the HUD Office of Block Grant Assistance Manual, Revolving Loan Funds are specifically allowed within the CDBG Program and are separate funds, independent of the CDBG Program accounts, set up for the purpose of carrying out specific activities. These activities generate payments to the account for use in carrying out the same type of activities. At this time, the County has approximately \$300,000 in PI, which can be used, once a Revolving Loan Fund is established by application to HCD. Planning and Building has discussed the use of the funds with HCD Specialists, who advised the preparation of this resolution to the Board to begin the process. Once the application is approved by HCD, the PI funds can be used for Flexible Business Assistance Loans to retain local businesses and local jobs, which is especially important during the COVID-19 pandemic. Flexible financing means 1% fixed rate, up to fifteen years amortization, and deferred payments. Also some portion of the loan may be forgiven based on total number of jobs retained.

Alternative Action/Motion:

Provide direction to staff.

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: UD 0404

current f/y cost: \$300,000-estimate

annual recurring cost: \$120,000

budget clarification: Depending on the length of time to find qualified loan applicants, not all of the \$300,000 balance may be used this FY.

budgeted in current f/y: Yes

if no, please describe:

revenue agreement: Choose an item.

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Steve Dunncliff, Deputy CEO

CEO Review: Yes

CEO Comments:

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Executed By: Lindsey Dunham, Deputy Clerk I

Date: May 21, 2020

Final Status:**Adopted**

Executed Item: **Resolution** Number: 20-065

