



## Legislation Details (With Text)

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**File created:** 6/10/2015 **In control:** Board of Supervisors

**On agenda:** 7/14/2015 **Final action:** 7/14/2015

**Title:** Chief Administrative Office, Economic Development Division, Housing, Community and Economic Development Program recommending the Board authorize the Chief Administrative Officer to sign Agreement for Services No. 031-S1611 (Subrecipient Agreement) with Sierra Business Council, a 501c3 on behalf of the Northeastern California Sierra Small Business Development Center, duly qualified to conduct business in the State of California, for the provision of services to individuals and businesses under the County Microenterprise Technical Assistance Program, funded by the California State Department of Housing and Community Development Community Development Block Grant Economic Development Allocation, 13-CDBG-8935, in the not-to-exceed amount of \$85,000, for a term to become effective upon final execution by both parties hereto and shall expire September 30, 2016.

**FUNDING:** Federal Community Development Block Grant.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. A - Blue Route 7-14-15, 2. B - Micro TA Agreement 7-14-15, 3. C - Resolution 172-2014 7-14-15, 4. D - CDBG Approval letter 7-14-15

| Date      | Ver. | Action By            | Action   | Result |
|-----------|------|----------------------|----------|--------|
| 7/14/2015 | 1    | Board of Supervisors | Approved | Pass   |

Chief Administrative Office, Economic Development Division, Housing, Community and Economic Development Program recommending the Board authorize the Chief Administrative Officer to sign Agreement for Services No. 031-S1611 (Subrecipient Agreement) with Sierra Business Council, a 501c3 on behalf of the Northeastern California Sierra Small Business Development Center, duly qualified to conduct business in the State of California, for the provision of services to individuals and businesses under the County Microenterprise Technical Assistance Program, funded by the California State Department of Housing and Community Development Community Development Block Grant Economic Development Allocation, 13-CDBG-8935, in the not-to-exceed amount of \$85,000, for a term to become effective upon final execution by both parties hereto and shall expire September 30, 2016.

**FUNDING:** Federal Community Development Block Grant.

### DEPARTMENT RECOMMENDATION

Chief Administrative Office, Economic Development Division, Housing, Community and Economic Development (HCED) Program recommending the Board authorize the Chief Administrative Officer to sign Agreement for Services No. 031-S1611 (Subrecipient Agreement) with Sierra Business Council, a 501c3 on behalf of the Northeastern California Sierra Small Business Development Center (SBDC), duly qualified to conduct business in the State of California, for the provision of services to individuals and businesses under the County Microenterprise Technical Assistance Program, funded by the California State Department of Housing and Community Development (HCD) Community

Development Block Grant (CDBG) Economic Development Allocation, 13-CDBG-8935, in the not-to-exceed amount of \$85,000 for a term to become effective upon final execution by both parties hereto and shall expire September 30, 2016.

## **DISCUSSION / BACKGROUND**

On February 25, 2014, the Board of Supervisors accepted the grant award for Community Development Block Grant 13-CDBG-8935 in the amount of \$1,060,000 for provision of Homeownership Loans, Microenterprise Technical Assistance and Business Assistance Loan activities through the contract term ending September 30, 2016. An amendment to the contract to provide for additional housing loan program activities was subsequently approved by the Board with Resolution 172-2014, and executed by the State on February 5, 2015. [Legistar item 13-0105]

The Microenterprise Technical Assistance (TA) and Loan Program was established by the County and funded through an award from HCD with a CDBG Economic Development Allocation. The Microenterprise Assistance Program furthers the County's goal of supporting local business by providing technical assistance services and loans for eligible applicants seeking business start-up or current business owners who meet CDBG grant requirements. Eligible businesses must employ or plan to employ five (5) or fewer employees, including the owner(s) and must operate in the unincorporated areas of El Dorado County. The applicant must earn below 80 percent of the area median income based on household size. To become eligible for a Microenterprise loan, the applicant must be enrolled in a TA program. The loan funds may be used for working capital, purchase of supplies and equipment, and leasehold improvements.

As stated in the CDBG Grant Management Manual, Chapter 2 - Program Operators, a subrecipient is a public or private non-profit agency or organization receiving CDBG funds from a grantee or another subrecipient to undertake eligible activities. CDBG does not require a Request For Proposal (RFP) process for a subrecipient. Activities to be performed by the Sierra Business Council include assisting qualified business owners and potential business owners by developing and delivering a business training program for microenterprises; providing one-on-one technical assistance and mentoring; assisting with the development a business plan.

Technical assistance and advisory services will assist the business through start-up and/or expansion to maintain viable operations. Total award under this Agreement is not to exceed \$85,000 with this Agreement expiring concurrent with the expiration of the grant agreement between the County and HCD.

Each series of workshops or Business Bootcamp will have a targeted minimum of six eligible participants (24 total program participants). The target number of graduates for each workshop series or Business Bootcamp is four (16 total program graduates). All workshop attendees will receive one-on-one counseling. Program participants will have at their timely disposal professionally trained business counselors that receive Small Business Administration (SBA) and America's Small Business Development Center (ASBDC) approved training annually.

The Chief Administrative Office (CAO)/Economic Development Division HCED staff is unable to absorb the additional workload to adequately fulfill the obligations under the grant agreement. Further, some tasks to be performed under the grant agreement, such as business technical assistance, coaching and mentoring, require specific private enterprise experience not currently available within HCED. As these duties are required only for a limited duration, until September 30, 2016, hiring of permanent staff is not warranted. Consequently, the CAO/Economic Development

Division has determined that the Sierra Business Council is the most efficient and cost-effective method for delivering these services to the business community.

Authorization for the CAO to sign the agreement is based upon Resolution 172-2014, wherein the Chief Administrative Officer, or designee, is appointed by the Board as Authorized Representative for CDBG contracts and is authorized to sign and act on the County's behalf in all matters related to the 13-CDBG-8935 Standard Agreement and subsequent amendments.

#### **ALTERNATIVES**

N/A

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel and Risk Management approved to form. State Housing and Community Development, Community Development Block Grant Program approval pending.

#### **CAO RECOMMENDATION**

CAO recommending the Board move staff's recommendation.

#### **FINANCIAL IMPACT**

There is no additional County cost associated with this Agreement for Services. The Microenterprise Technical Assistance Program activity is provided for with grant funds under Standard Agreement 13-CDBG-8935. No County matching funds are required.

#### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

#### **STRATEGIC PLAN COMPONENT**

Economic Development

#### **CONTACT**

Jeff McLaughlin, Economic Development Manager, ext. 7539