



# County of El Dorado

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## Legislation Text

**File #:** 08-0758, **Version:** 1

Hearing to consider adoption of Resolution **135-2008** authorizing a reallocation of resources that will result in an amendment by the California Department of Housing and Community Development to Economic Development Block Grant 06-EDBG-2767, reallocating grant funds in the amount of \$112,000, increasing resources for Business Loan Program activities, and decreasing resources for Microenterprise Technical Assistance activities.

**FUNDING:** State grant funds.

BUDGET SUMMARY:		
Total Estimated Cost		\$0.00
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$0.00	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost: No change. The \$3,500 required match for Standard Agreement 06-EDBG-2767 was authorized with submittal of the application and has been met with a portion of the FY 2007/08 Community Services General Fund Contribution budgeted for this purpose.

Background: On January 23, 2007 the Board adopted Resolution No. 012-2007 authorizing submittal of an application to the California Department of Housing and Community Development (HCD) for an Economic Development Block Grant (EDBG) in the amount of \$500,000 to continue to provide the activities of Microenterprise Technical Assistance and Business Loans. The Resolution further authorized the Director of Human Services, upon approval of the application, to execute and administer the Standard Agreement with the State of California and any subsequent amendments that do not affect the dollar amount or the term, contingent upon approval by County Counsel and Risk Management. The grant was subsequently awarded on May 21, 2007 and Standard Agreement #06-EDBG-2767 was approved for execution on August 30, 2007 by County Counsel and Risk Management.

Reason for Recommendation: Since submittal of the application, the Business Loan Program has received loan applications exceeding the amount of grant funds designated for this activity. The Business Loan Program provides funds for the capital needs of existing, start up, and expanding businesses in the unincorporated areas of the County. Businesses receiving loans through the

Business Loan Program are required to provide one job for every \$35,000 borrowed to a household earning at or below 80% of the median income. Upon repayment, loan funds are revolved out to additional businesses through the County's Economic Development Revolving Loan Fund, thereby continuing to provide jobs to income qualified households. The reallocation of funds to the Business Loan Program will initially provide a minimum of one additional loan and create three new jobs. The Microenterprise Technical Assistance Program has been implemented and is now operated using existing County staff, eliminating the additional expenses associated with contracting out for this activity. Therefore, decreasing activity funds will not impact services provided or clients served. The resolution authorizing reallocation of grant resources and copies of Standard Agreement #06-EDBG-2767 and Resolution No. 012-2007 are attached and on file with the Board Clerk.

Action to be taken following Board approval:

- Board Clerk to provide Human Services, Community Services Division - Main Street, with two (2) certified resolutions signed by the Chairman.
- Human Services to submit the resolution authorizing reallocation of grant resources to the California Department of Housing and Community Development.

Contact: Doug Nowka, 621-6163

Concurrences: County Counsel and Risk Management to review and approve the amendment to Standard Agreement #06-EDBG-2767 upon receipt from HCD and prior to execution by the Director of Human Services.