



Legislation Text

File #: 09-0867, **Version:** 1

Human Services Department requesting conceptual approval to submit one or more Economic Development Block Grant Over-The-Counter Component application(s) to the California Department of Housing and Community Development for up to \$2,500,000 for one-year grant(s) or up to \$5,000,000 for two-year grant(s) to make loans to employer(s) for an eligible activity resulting in the creation or retention of permanent jobs or to developer(s) to construct infrastructure improvements necessary to accommodate the creation, expansion or retention of a business that will create or retain jobs.

FUNDING: Federal EDBG Grant Funds

Fiscal Impact/Change to Net County Cost: There is no additional cost beyond staff time associated with the application process. County match requirements for each application will be determined based on the program or project selected. Leverage for the grant(s) will be primarily owner equity and private funds obtained by the identified business(es).

Background:

Reason for Recommendation:

The 2009-10 Economic Development Block Grant (EDBG) Over-The-Counter (OTC) Notice of Funding Availability (NOFA) provides grants of up to \$2,500,000 for a one-year grant or up to \$5,000,000 for a two-year grant. The grant funds would be used to provide loans to one or more businesses in the unincorporated area of El Dorado County. Eligible loan activities include construction, equipment purchase, working capital, land acquisition, on-site improvements, start up costs and loan guaranties. The County would also have the potential to use grant funds to install publicly owned infrastructure and off-site improvements in support of a business. The final grant amount would be determined based upon the loan amount necessary to assist each identified business with meeting their start up or expansion goals. The EDBG Program requires that a business create one full-time equivalent position for every \$35,000 in EDBG OTC funds borrowed. The amount as well as receipt of a loan would be contingent on the ability of an identified business to meet this requirement.

On May 18, 2009, the Board adopted a 12-month interdepartmental economic development action plan with a goal of "creating prosperous and sustainable communities while maintaining our quality of life". The plan included an action to "explore and apply for community economic development grants, State and Federal governmental assistance sources" for developing needed economic development tools in support of the goal.

Existing staff would be utilized to administer grant activities. The level of environmental review required under the grant activities would be determined and completed as a part of the grant set up conditions as required by the State Department of Housing and Community Development (HCD) and would be overseen by County staff. Following Board conceptual approval to proceed, and with the

identification of a feasible project, an application specific to that project would be developed and a required Public Hearing would be scheduled for Board consideration of the application and receipt of any public comment, at which time Board adoption of a Resolution would authorize submittal of the subject application. HCD will accept EDBG OTC applications on a continual basis until March 24, 2010.

Action to be taken following Board approval:

Human Services to identify feasible project(s) and develop EDBG OTC Grant funding application(s) and all relevant documents for Board of Supervisors consideration and approval to submit said application(s) to the State Department of Housing and Community Development.

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Concurrences: N/A