



## Legislation Text

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File #: 21-65, Version: 1

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### Memorandum

**Date:** February 23, 2021

**To:** The Honorable Bruno, Chair, Lake County Board of Supervisors

**From:** Carol J. Huchingson, County Administrative Officer

**Subject:** 9:15 A.M. - PUBLIC HEARING - Community Development Block Grant Program - CARES Act Round 2 and 3 Presentation and Consideration of Resolution Approving an Application for CDBG CARES Act Round 2 & 3 Funding and the Execution of Grant Agreement and any Amendments for Funds in the Amount of \$738,187 for a Small Business Assistance Loan Fund Program

**Executive Summary:** (include fiscal and staffing impact narrative):

The California Department of Housing and Community Development (HCD) announced the availability of Community Development Block Grant (CDBG) Coronavirus Aid, Relief and Economic Security (CARES Act) Round 2 and 3 funding for local assistance on December 18, 2020.

The State has allocated \$738,187 to the County of Lake for pandemic related programs. Prior to submitting an application, County must hold a public hearing and then submit a funding request with a corresponding Resolution detailing the specific use of the funds. Projects and programs under this funding source must benefit low and moderate-income households and provide assistance to mitigate the impacts of the COVID-19 pandemic.

Due to the impacts of the COVID-19 Shelter in Place order, many local small businesses are in need of flexible low interest capital to help them recover from the loss of revenue during these business closures. The Small Business Assistance Loan Fund Program is designed to encourage businesses to retain existing employees and, in time, to provide capital to help create new jobs.

On July 14, 2020, your Board approved a Resolution to submit an application for CDBG funds from the annual CDBG State funding in the amount of \$500,000 for small business loans. In addition, on August 25, 2020, your Board also approved a Resolution to submit an application for the CDBG State funding allocation in the amount \$202,859 for CDBG CV-1 funding to assist small businesses. Both of these applications have recently been approved by HCD and the County looks forward to finalizing the Standard Agreements between the County and HCD and begin the implementation of these programs.

The CARES Act Round 2 and 3 Small Business Loan Program will provide additional support to Lake County's small businesses facing the possibility of a long-term recovery need and provide additional funding for forgivable low interest loans to businesses that will both retain and create jobs.

The County has an existing contract for CDBG services with Community Development Services (CDS), a local consulting firm that is experienced with implementing these type of activities. CDS consultant Jeff Lucas will provide a brief presentation regarding the proposed CARES Act Round 2 and 3 small business funding opportunity before the Board considers the proposed Resolution.

**If not budgeted, fill in the blanks below only:**

Estimated Cost: \_\_\_\_\_ Amount Budgeted: \_\_\_\_\_ Additional Requested: \_\_\_\_\_ Future Annual Cost: \_\_\_\_\_

**Consistency with Vision 2028 and/or Fiscal Crisis Management Plan** (check all that apply):

- |  |  |   |   |
|--|--|---|---|
| <input type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety               | <input type="checkbox"/> Infrastructure   | <input type="checkbox"/> Not applicable             |
| <input type="checkbox"/> Economic Development    | <input type="checkbox"/> Disaster Recovery           | <input type="checkbox"/> County Workforce | <input type="checkbox"/> <i>Technology Upgrades</i> |
| <input type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake       | <input type="checkbox"/> <i>Revenue Generation</i>  |
|  |  |   | <input type="checkbox"/> <i>Cost Savings</i>        |

**If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:**

Which exemption is being requested?

How long has Agreement been in place?

When was purchase last rebid?

Reason for request to waive bid?

**Recommended Action:** Adopt Resolution to submit application for CDBG CARES Act Round 2 and 3 funds for the allocated amount of \$738,187 to provide loans to small businesses.