

**Board of Supervisors
of the County of Monterey**

Resolution No. _____

Adopt a Resolution to:

Authorize and direct the contribution of \$25,000 to)
the Fondo Empresarial Emergency Loan Program)
Loan Loss Reserve.)
)

WHEREAS, in response to the economic crisis unleashed by Covid-19, the California I-Bank has rolled out a \$50 million 95% state loan guarantee program to help mission-driven lenders provide loans to small businesses that are not able to access federal financial assistance; and

WHEREAS, Fondo Adelante, the Community Development Financial Institution (CDFI) arm of the Mission Economic Development Agency (MEDA) in San Francisco is partnering with El Pájaro Community Development Corporation (El Pájaro CDC) to establish an emergency loan program in Monterey County with the City of Salinas and the County of Monterey through the state's Small Business Disaster Relief Loan Guarantee Program; and

WHEREAS, with a \$1 million investment from the Community Foundation for Monterey County, Fondo Adelante will deploy low-interest loans (prime plus 1) of up to \$50,000 to cover payroll and overhead expenses for underserved small businesses in Monterey County; and

WHEREAS, El Pájaro CDC will partner with Fondo Adelante to identify potential borrowers and support the application process with priority being given to their clients in Monterey County and the City of Salinas; and

WHEREAS, The Fondo Empresarial Emergency Loan Program will focus on providing access to loans to businesses that have been excluded from or have not qualified for the CARES Act programs. Monterey County's Inland Salinas Valley corridor (Pájaro to King City) and the City of Salinas will be the priority area of focus for this program; and

WHEREAS, as the state only guarantees 95% of the loan amount, Fondo Adelante and El Pájaro CDC have approached both the County of Monterey and the City of Salinas to fund the 5% (\$50,000) loan loss reserve gap which is required be in place prior to lending.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors authorize the contribution of \$25,000 from Cannabis revenue to fund half of the Fondo Empresarial Emergency Loan Fund loan loss reserve. With this contribution of 50% of the loan loss reserve, it is requested that Fondo Adelante and El Pájaro CDC lend all loans funds within Monterey County.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____ and carried this day of April 28, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Acting Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book_____for the meeting on March 31, 2020.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy