



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 13-007, **Version:** 1

- a. Approve Renewal and Amendment #3 to Agreement #A-11754 with California Coastal Rural Development Corporation (CCRDC) to manage the day-to-day operation of the County's Small Business Revolving Loan Fund (SBRLF); and
- b. Authorize the Director of the Economic Development Department to execute the Amendment.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve Renewal and Amendment #3 to Agreement #A-11754 with California Coastal Rural Development Corporation (CCRDC) to manage the day-to-day operation of the County's Small Business Revolving Loan Fund (SBRLF); and
- b. Authorize the Director of the Economic Development Department to execute the Amendment.

SUMMARY:

The recommended action is necessary to provide uninterrupted management of the County's Small Business Revolving Loan Fund (SBRLF). The County's Agreement with CCRDC to provide day-to-day management of the SBRLF lapsed on December 31, 2012. The recommended Renewal and Amendment will renew the Agreement long enough for the County to competitively select a new Program Administrator. At the conclusion of the competitive selection process, the Board will be asked to approve a three year agreement with the selected Program Administrator.

DISCUSSION:

The County, through various Program Administrators, has operated the SBRLF since 1990. The SBRLF was capitalized with grants from the U.S. Department of Commerce, Economic Development Administration, California State Community Development Block Grant Program, California Trade and Commerce Agency, the County and the cities of Greenfield and King. Since the County funded its first loan, the SBRLF has provided more than \$9 million dollars in financing to more than 125 small businesses and supported the creation or retention of more than 1,000 jobs. As of September 30, 2012, the SBRLF had 17 active loans with outstanding principal of \$1,181,000 and \$833,000 available to loan.

Since 2000, day-to-day management and operation of the County's SBRLF has been the responsibility of California Coastal Rural Development Corporation (CCRDC). The current contract began in July 2010, after the last competitive selection process was completed. Due to requirements imposed by the various grant sources used to capitalize the SBRLF, the County is required to issue a Request for Proposals every three years to identify all interested and qualified firms that could manage the SBRLF. The recommended Renewal and Agreement allows the County to provide uninterrupted program management while the selection process is undertaken.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Renewal and Amendment as to form.

FINANCING:

This Renewal and Amendment has no impact on the General Fund. The Renewal and Amendment adds language to the Agreement that requires the SBRLF to be self supporting with administrative costs being paid with interest earned on outstanding principal and fees. Loan repayments are deposited in and expended from Fund 011 (Economic Development) Organizational Unit 8044. SBRLF income cannot be used for any purpose besides continuing the program.

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Approved by:

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Attachments: Renewal and Amendment #3 to Agreement #A-11754