



County of Monterey

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

Legislation Details (With Board Report)

File #:	RES 22-070	Name:	Small Business Revolving Loan Fund
Type:	BoS Resolution	Status:	Passed
File created:	3/10/2022	In control:	Board of Supervisors
On agenda:	3/22/2022	Final action:	3/22/2022
Title:	Adopt a Resolution to: a. Authorize the County Administrative Officer or the designee to sign any documents and certifications that may be required to comply with the CARES Act revolving loan fund grant terms and conditions set by the U.S. Department of Commerce, Economic Development Administration, subject to review by the Office of the County Counsel as to form; and b. Certify that the Small Business Revolving Loan Fund is being operated consistent with the EDA approved administrative plan; and c. Authorize the Auditor-Controller to amend the Fiscal Year 2021-22 Adopted Budget to increase appropriations and estimated revenues by \$1,760,000 for the Revolving Loan Program, 011-1050-CA0040-8516, to recognize the investment by the U.S. Department of Commerce, Economic Development Administration (EDA) in the County's Small Business Revolving Loan Fund (SBRLF) (4/5ths vote required); and d. Authorize the Auditor-Controller's Office to incorporate approved budget modifications to the FY 2021-22 Budget, and the County Administrative Office to reflect these approved changes in the FY 2022-23 Adopted Budget.		

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. SBRLF_Revolving Loan Fund Financial Support SF-425, 3. Board Order No. 20-681, 4. SBRLF_Resolution, 5. Completed Board Order Item No. 42, 6. Completed Resolution Item No. 42

Date	Ver.	Action By	Action	Result
3/22/2022	1	Board of Supervisors	adopted	Pass

Adopt a Resolution to:

- Authorize the County Administrative Officer or the designee to sign any documents and certifications that may be required to comply with the CARES Act revolving loan fund grant terms and conditions set by the U.S. Department of Commerce, Economic Development Administration, subject to review by the Office of the County Counsel as to form; and
- Certify that the Small Business Revolving Loan Fund is being operated consistent with the EDA approved administrative plan; and
- Authorize the Auditor-Controller to amend the Fiscal Year 2021-22 Adopted Budget to increase appropriations and estimated revenues by \$1,760,000 for the Revolving Loan Program, 011-1050-CA0040-8516, to recognize the investment by the U.S. Department of Commerce, Economic Development Administration (EDA) in the County's Small Business Revolving Loan Fund (SBRLF) (4/5ths vote required); and
- Authorize the Auditor-Controller's Office to incorporate approved budget modifications to the FY 2021-22 Budget, and the County Administrative Office to reflect these approved changes in the FY 2022-23 Adopted Budget.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize the Assistant County Administrative Officer and/or the Economic Development Manager to sign any documents and certifications that may be required to comply with the CARES Act revolving loan fund grant terms and conditions set by the U.S. Department of Commerce, Economic Development Administration, subject to review by the Office of the County Counsel as to form; and
- b. Certify that the Small Business Revolving Loan Fund is being operated consistent with the EDA approved administrative plan; and
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2021-22 Adopted Budget to increase appropriations and estimated revenues by \$1,760,000 for the Revolving Loan Program, 011-1050-CAO040-8516, to recognize the investment by the U.S. Department of Commerce, Economic Development Administration (EDA) in the County's Small Business Revolving Loan Fund (SBRLF) (4/5ths vote required).
- d. Authorize the Auditor-Controller's Office to incorporate approved budget modifications to the FY 2021-22 Budget, and the County Administrative Office to reflect these approved changes in the FY 2022-23 Adopted Budget.

SUMMARY/DISCUSSION

The County of Monterey has managed a Small Business Revolving Loan Fund since 1989. The Small Business Revolving Loan Fund is available to assist businesses throughout the County. On May 8, 2020, U.S. Economic Development Administration invited the County of Monterey to apply for additional federal funding to recapitalize the SBRLF and make additional amendments to its Administrative Plan that will enable the program to be more responsive to local small business financing requirements during the current public health crisis.

The County funded the first Small Business Revolving Loan Fund in October 1990 capitalizing the loan pool with an investment by the County of \$383,301 and U.S. Economic Development Administration grants totaling \$1,533,205. The original capital pool has revolved 5.5 times since 1990 and resulted in loans totaling nearly \$10.6 million. The County's investment has leveraged public (Small Business Administration) and private investment of more than \$19 million in these businesses and to the creation or retention of almost 1,200 full-time equivalent jobs in the County of Monterey.

On April 8, 2020, the Board of Supervisors, recognizing the need for additional financial assistance for small businesses, approved amendments to the existing Small Business Revolving Loan Fund Administrative Plan to make it more responsive to the anticipated needs of the business community.

On July 23, 2020, the EDA notified the County that it had been awarded a non-competitive CARES Act grant to recapitalize the County's Small Business Revolving Loan Fund. The County received \$1,600,000 to recapitalize the Small Business Revolving Loan Fund and an additional \$160,000 to administer the Small Business Revolving Loan Fund. The grant does not require a local match, unless the cost to manage the grant exceeds the \$160,000. All grant funds must be expended by July 23, 2022. The County currently has two (2) loans approved for \$550,000 and is working with California Coastal Rural Development Corporation to actively market the additional funds available.

On September 15, 2020, the Board of Supervisors, authorized the Housing Program manager to sign the financial assistance award grant. Approved changes to the SBRLF Administrative Manual to make the program more responsive to the needs of the business community. Certified that the SBRLF is being operated consistent with the EDA approved Administrative Plan. As well as authorizing the Auditor-Controller to increase revenue and appropriations in the Economic Development Fund. Due to staff changes within the County the proper documentation was not processed to complete the increase in revenue and appropriations during FY 2020-21.

This authorization will allow Economic Development to increase revenue and appropriations for FY 2021-22 and allow for additional funding to be utilized by small businesses throughout the county affected by COVID-19.

The County is continuing to work with California Coastal Rural Development Corporation and U.S. Economic Development Administration to ensure that the Small Business Revolving Loan Fund is realigned to be most beneficial to the small business community during the current public health crisis.

In 2016, U.S. Economic Development Administration approved the County's Small Business Revolving Loan Fund Administrative Plan. The Board of Supervisors shall annually certify that the Small Business Revolving Loan Fund is being operated consistent with the Administrative Plan. The County continues to operate the Small Business Revolving Loan Fund consistent with the Administrative Plan to the extent possible.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has approved the Agreements as to form. The Budget Committee approved the recommendation.

FINANCING:

If this action is approved, funding in the amount of \$1,760,000 will be provided by using the U.S. Department of Commerce, Economic Development Administration (EDA) funds for economic recovery through the County's Small Business Revolving Loan Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed increase to revenue and appropriations in Economic Development for the Small Business Revolving Loan Fund will provide additional capital to fund low cost and low barrier loans for small businesses affected by COVID-19 and supports the Board approved strategic initiatives.

☒ Economic Development
☒ Administration
☐ Health & Human Services
☒ Infrastructure
☐ Public Safety

Prepared by: Richard Vaughn, Economic Development Manager

Approved by: Dewayne Woods, Assistant County Administrative Officer

Attachments:

SBRLF_Board Report
SBRLF_Revolving Loan Fund Financial Support SF425
Board Order No. 20-681
SBRLF_Resolution