



COUNTY OF HUMBOLDT

For the meeting of: 1/10/2023

File #: 22-1689

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

SUBJECT:

Submission of a Program Income Only Application to the California Department of Housing and Community Development's Community Development Block Grant Program to Continue Funding the Micro-Enterprise Technical Assistance Program.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached Resolution (Resolution 23-__) (Attachment 1) doing the following:
 - a. Approving submission of an application to the California Department of Housing and Community Development (HCD) Community Development Block Grant Program (CDBG) to use \$66,000 of Program Income on hand for the Micro-Enterprise Technical Assistance Program, with the ability to add Program Income as needed.
 - b. Authorizing and directing the Planning and Building Department Director to execute, in the name of the County of Humboldt, the application and all other documents required by HCD for a Program Income Application, the Standard Agreement and any amendments.

SOURCE OF FUNDING:

CDBG Program Income funds currently on hand and Program Income received as CDBG housing loans are repaid.

DISCUSSION:

The Planning and Building Department is requesting the Board authorize the Planning Director to direct CDBG Program Income currently on hand, and potential future Program Income, to the Micro-Enterprise Technical Assistance Program. CDBG Program Income comes from housing loans that have been repaid. The funds are restricted and must be used on a CDBG-eligible program or project. A recent change requires Program Income be used or returned to the state.

The county has had an active Micro-Enterprise Technical Assistance Program since 2000 which is run through the Humboldt State University North Coast Small Business Development Center. This program provides valuable technical assistance to new or expanding businesses with low-income owner(s). The program offers basic and specialty services to nascent businesses and more in-depth

services for those wanting to expand their businesses. The grant for the Micro-Enterprise Technical Assistance Program expires in 2023.

Approving this request would accomplish two things: 1) the county would not lose the \$66,000 CDBG Program Income funds, and 2) the county would help the technical assistance program continue without interruption. In addition, the resolution would allow the county to direct future Program Income funds to the Micro-Enterprise Program if that program is selected through a competitive process that includes a noticed public meeting where applicants are encouraged to their present proposals.

The attached resolution authorizes the Planning Director to apply to the state for permission to use CDBG Program Income for the existing Micro-Enterprise Technical Assistance Program, and to sign any required documents.

FINANCIAL IMPACT:

This action requests authorization to use the \$66,000 CDBG Program Income from state-funded loans that were repaid to the County (Account # 1100282-101) to support the Micro-Enterprise Technical Assistance Program run through Cal Poly Humboldt and will not affect the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by encouraging new local enterprise and seeking outside funding.

OTHER AGENCY INVOLVEMENT:

California Department of Housing and Community Development
Humboldt State University North Coast Small Business Development Center

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose to use CDBG Program Income in a different manner. Staff does not recommend further consideration of this alternative because 1) the Micro-Enterprise Technical Assistance Program provides valuable services for local start-up businesses that benefit the local economy and their funding is set to expire in 2023 unless additional funding is secured, and 2) the Program Income will need to be returned to the state if it isn't allocated to an eligible program by January 31, 2023.

ATTACHMENTS:

Attachment 1: Draft Resolution Approving an Application for Use of Restricted Program Income Funds and the Execution of a Grant Agreement and Any Amendments Thereto for the Use of Program Income On Hand

Attachment 2: Appendix D Sample Resolution completed

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A

