

DEPARTMENT: Administration/Economic Development

BY: Richard Benson, CAO

PHONE: 966-3222

**RECOMMENDED ACTION AND JUSTIFICATION:**

A) Approve participation in the State Community Development Block Grant Program Economic Development Allocation under the California Community Economic Enterprise Fund Component FY 2010-11;

B) PUBLIC HEARING: Conduct a Community Participation Public Hearing for grant application submittal in the amount of \$500,000 and receive comments from the public in connection to establishing a Business Assistance Loan Program;

Adopt a Resolution approving an Application for funding from the Economic Development Allocation of the State Community Development Block Grant (CDBG) Program and designate the County Administrative Officer to execute the Grant Agreement and any amendments thereto with the State of California for the purposes of this grant. Please see attached staff report; and

Adopt the Business Assistance Program Guidelines as required by the State Community Development Block Grant Program.

**BACKGROUND AND HISTORY OF BOARD ACTIONS:**

On February 15, 2011, the Board of Supervisors approved the Design Phase on future grant applications in connection to Community Development Block Grant funding.

**ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

If the Application to the State of California Community Economic Enterprise Fund Component for the purpose of establishing a Business Assistance Program is not awarded, Mariposa County businesses will not expand or create jobs for its residents.

Financial Impact? ( ) Yes ( x ) No Current FY Cost: \$ Annual Recurring Cost: \$

Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded

Amount in Budget: \$ 2010-11 Enterprise Fund Application, pages 1 - 129

Additional Funding Needed: \$ Resolution, page 21

Source: \_\_\_\_\_

Internal Transfer \_\_\_\_\_

Unanticipated Revenue \_\_\_\_\_ 4/5's vote

Transfer Between Funds \_\_\_\_\_ 4/5's vote

Contingency \_\_\_\_\_ 4/5's vote

( ) General ( ) Other \_\_\_\_\_

**CLERK'S USE ONLY:**

Res. No.: 11-101 Ord. No. \_\_\_\_\_

Vote - Ayes: 5 Noes: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved

(x) Minute Order Attached ( ) No Action Necessary

**COUNTY ADMINISTRATIVE OFFICER:**

Requested Action Recommended

No Opinion

Comments:

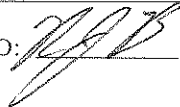
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The foregoing instrument is a correct copy of the original on file in this office.

Date: \_\_\_\_\_

Attest: MARGIE WILLIAMS, Clerk of the Board  
County of Mariposa, State of California

By: \_\_\_\_\_  
Deputy

CAO: 

Grant. Enterprise: Agenda 2010\_11 'Business Assistance Appl submittal

RESOLUTION NO. 11-102

A RESOLUTION APPROVING AN APPLICATION AND CONTRACT EXECUTION FOR FUNDING FROM THE ECONOMIC DEVELOPMENT ALLOCATION OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO WITH THE STATE OF CALIFORNIA FOR THE PURPOSES OF THIS GRANT.

BE IT RESOLVED by the Board of Supervisors of Mariposa County as follows:

**SECTION 1.**

The Board of Supervisors has reviewed and hereby approves application for: State Community Development Block Grant (CDBG Program) for up to \$500,000 from the Enterprise Fund Component:

- 1) General Administration - \$ 37,500;
- 2) Business Assistance - \$387,500;
- 3) Business Assistance Activity Delivery - \$75,000;

**SECTION 2.**

If the grant application is approved, the County will provide local leverage for the Business Assistance Program in the amount of \$4,000.

**SECTION 3.**

The County Administrative Officer is hereby authorized and directed to act on the County's behalf in all matters pertaining to this application.

**SECTION 4.**

If the application is approved, the County Administrative Officer is authorized to enter into and sign the grant agreement and any amendments thereto with the State of California for the purposes of this grant.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Mariposa was held on March 22, 2011, by the following vote:

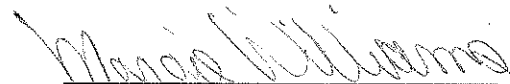
AYES: STETSON, TURPIN, BIBBY, CANN, ALLEN  
NOES: NONE  
ABSENT: NONE

  
\_\_\_\_\_  
Jim Allen, Board of Supervisors Chair

APPROVED AS TO FORM

  
\_\_\_\_\_  
Steven W. Dahlem, County Counsel

ATTEST:

  
\_\_\_\_\_  
Margie Williams, Clerk of the Board

DEPARTMENT OF HOUSING/COMMUNITY DEVELOPMENT  
County of Mariposa

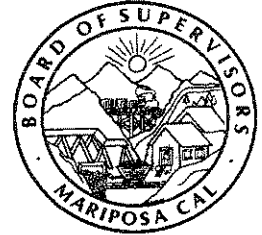


# COUNTY OF MARIPOSA

P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

JIM ALLEN, CHAIR  
JANET BIBBY, VICE-CHAIR  
LEE STETSON  
LYLE TURPIN  
KEVIN CANN

DISTRICT V  
DISTRICT III  
DISTRICT I  
DISTRICT II  
DISTRICT IV



## MARIPOSA COUNTY BOARD OF SUPERVISORS

### MINUTE ORDER

TO: RICHARD J. BENSON, CAO

FROM: MARGIE WILLIAMS, Clerk of the Board *MW*

SUBJECT: Approve Participation in the State Community Development Block Grant (CDBG) Program Economic Development Allocation under the California Community Economic Enterprise Fund Component FY 2010-2011

RES. 11-101

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on March 22, 2011

#### ACTION AND VOTE:

- 3
- 10:29 a.m. Administration**
- A) Approve Participation in the State Community Development Block Grant (CDBG) Program Economic Development Allocation under the California Community Economic Enterprise Fund Component FY 2010-2011
- BOARD ACTION:** Rick Benson introduced the item. Marilyn Lidyoff, Business Development Coordinator, reviewed the request and discussion was held.
- Input from the public was provided by the following:
- Dieter Dubberke, businessman in the community, stated he feels that it is urgent that the Board consider applying for this funding. He commented on his experience with private loan rates for the Grizzly Gas Station project versus what is available with this program. He commented on his annual payroll expenses and stated he feels that these programs can help with the growth of businesses.
- Jim Rydingsword commented on the status of the State budget and the subsidized employment program and the possibility of meshing that program with this program.
- (M)Cann, (S)Turpin, the Board approved participation in the CDBG program/Ayes: Unanimous.
- B) PUBLIC HEARING for Community Input for Grant Application Submittal in the Amount of \$500,000 in Connection to Establishing a Business Assistance Loan Program; Adopt a Resolution Approving an Application for Funding from the Economic Development Allocation of the State Community Development Block Grant (CDBG) Program and Authorize the County Administrative Officer to Sign

the Grant Agreement and Any Amendments Thereto with the State of California for the Purpose of this Grant

**BOARD ACTION:** Marilyn Lidyoff presented the staff report and advised of the in-kind cash match of \$4,000. She advised of pledges of in-kind support she has received for the program. Staff responded to questions from the Board relative to administration of this program; and relative to the risks to the County and costs.

The public portion of the hearing was opened and input was provided by the following:

Dieter Dubberke stated he feels that there are many small businesses in this community that could use this assistance.

The public portion of the hearing was closed and the Board commenced with deliberations. Staff responded to a question from the Board relative to the loan amounts that would be available with the program. (M)Cann, (S)Stetson, Res. 11-101 was adopted approving the application for funding as requested, and adopting the Business Assistance Program Guidelines/Ayes: Unanimous. The hearing was closed.

Cc: Marilyn Lidyoff, Economic Development Coordinator  
File

RESOLUTION NO. 11-10

**A RESOLUTION APPROVING AN APPLICATION AND CONTRACT EXECUTION FOR FUNDING FROM THE ECONOMIC DEVELOPMENT ALLOCATION OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO WITH THE STATE OF CALIFORNIA FOR THE PURPOSES OF THIS GRANT.**

**BE IT RESOLVED** by the Board of Supervisors of Mariposa County as follows:

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**SECTION 4.**

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PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Mariposa was held on March 22, 2011, by the following vote:

AYES: STETSON, TURPIN, BIBBY, CANN, ALLEN

NOES: NONE

ABSENT: NONE



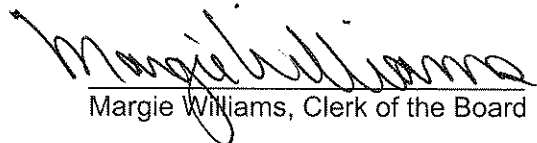
Jim Allen, Board of Supervisors Chair

APPROVED AS TO FORM



Steven W. Dahlem, County Counsel

ATTEST:



Margie Williams, Clerk of the Board

DEPARTMENT OF HOUSING/COMMUNITY DEVELOPMENT  
County of Mariposa

The purpose of this Public Hearing is to fulfill the requirements of State Community Development Block Grant Program (CDBG) for the ***Application Submittal Phase*** and provide an opportunity for the general public to comment on the proposed project. Staff proposes to submit a grant application to the California Community Economic Enterprise Fund Component for the purpose of establishing a Business Assistance Loan Program to provide critical capital for business retention, expansion, relocation, emerging businesses and some start-ups.

Existing business applicants include private for profit business concerns, corporations, and partnerships, and sole proprietorships that are legal. Non profits are ineligible for this program

Businesses participating in the program will be required to create one permanent full time job per \$35,000 borrowed. Further, use of funds meeting the National Objective of "benefit to low income households" will require the business receiving CDBG financing provide fifty-one percent (51%) of the jobs created to low income persons.

Loan Terms and Fees:

***While the Program Design narrative cite that up to \$250,000 will be available, loan amounts will be determined based upon the anticipated number of jobs created, ability of the business to service the new CDBG loan payment, and reasonable of the costs paid for with CDBG funds.***

Loan terms are dependant upon the strength of the borrower and will range from five to twenty-five years; depending on reason for financing and security being offered by the business. Under this Program, loan terms and rates are more desirable than commercial lending rates. All loans under this program will be collateralized to the greatest extent possible. Both personal and business assets will be required as collateral coverage. Eligible used of loans include but are not limited to the following:

- Operating capital
- Purchase of supplies, raw materials;
- Purchase of equipment, tools, furniture and fixtures;
- Rehabilitation of leased space or owned buildings;
- Purchase of manufacturing/office equipment
- Refinance of existing debt in conjunction with financing other eligible costs;
- Purchase of real property;
- Required off-site improvements, and
- Relocation for persons displaced due to funding of the project.

A cash match is not required under this Program. Moreover, "in-kind" match is not required, however, it is highly recommended as it creates a more competitive application. Therefore, staff is suggesting that the County pledge local leverage with a cash value in the amount of \$4,000. This amount is comprised of responsibilities performed by the County Administrative Officer, Business Development Coordinator and the role of the Board of Supervisors, as identified in the "Program Organizational Chart".

The projected timeline to accomplish the project is typically 30 months following the execution of the contract between the County and State of California Department of Housing and Community Development.

Section 6 of the General Plan contains an economic development component citing the need to pursue sustainable economic growth. Goal 6-3 of the General Plan cites the need to "expand job opportunities, increase personal income, and strengthen the

Mariposa County economy through economic diversification". Further, the Economic Vitality Strategy and Implementation Plan identified the need to establish a diversified and sustainable economy that provides quality living wage jobs

The Economic Vitality Strategy and Implementation Plan (EVS) comprised of 280 pages was accepted by the Board of Supervisors on December 4, 2007. Due to the volume of the document, the EVS is available for review in the Public Information file located at the front counter of the Clerk of the Board/Administration Department.

On February 15, 2011, a public hearing was held to initiate the Design Phase of the project to collect public comments and to comply with CDBG Program Guidelines.

On March 10, 2010, a notice was published in the Mariposa Gazette for the Public Hearing Application Submittal Phase (please refer to page 23 of application).

Grant. Enterprise: Agenda 2010\_11 'Business Assistance Appl submittal.a