

To: BOARD OF SUPERVISORS

FROM: Executive Office Choose an item.

MEETING DATE: March 11, 2025

DEPARTMENT CONTACT: Kelly Hansen
DEPARTMENT CONTACT: Xuyen Mallela

PHONE: 707-463-4441
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ITEM TYPE: Noticed Public Hearing

TIME ALLOCATED FOR ITEM: 15 Minutes

AGENDA TITLE:

Noticed Public Hearing –

Discussion and Possible Action Including Adoption of Resolution Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto From the 2023 and/or 2024 Funding Year of the State Community Development Block Grant (CDBG) Program to Utilize Program Income (PI) Award in the Amount of \$407,385.76 for the County's Economic Development Technical Assistance & Micro-Enterprise Assistance Program

RECOMMENDED ACTION/MOTION:

Adopt Resolution approving an application for funding and the execution of a grant agreement and any amendments thereto from the 2023 and/or 2024 Funding Year of the State Community Development Block Grant (CDBG) Program to utilize Program Income (PI) award in the Amount of \$407,385.76 for the County's Economic Development Technical Assistance & Micro-Enterprise Assistance Program; and authorize Chair to sign the same.

PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:

On February 27, 2024, the Board of Supervisors adopted Resolution No. 24-033 to approve the submission to the State of California and the use of Program Income in an amount not to exceed \$163,195.33 for the planned Economic Development Technical Assistance & Micro-Enterprise Assistance.

On September 24, 2024, the Board of Supervisors held the public hearing for the Performance of Community Development Block Grant (CDBG) Agreement Number 20-CDBG-PI-12010 for COVID-19 Business Assistance and Recovery Business Loan Fund Program, and Authorization for the County of Mendocino to Close Out Grant, as Required by the State Housing Community Development (HCD) Agency.

SUMMARY OF REQUEST:

The Board of Supervisors possesses the authority to allocate Program Income and to determine the projects that will be pursued for Community Development Block Grant (CDBG) funding subject to review and approval by HCD. The Grants Division came before the Board of Supervisors for direction on priorities on the use of Program Income on [February 27, 2024](#). Subsequently, Board Resolution No. 24-033 authorized the submission of a CDBG Program Income-only application to the State of California Housing and Community Development Department (HCD) for the Economic Development Technical Assistance & Micro-Enterprise Assistance Program totaling \$163,195. This application was finalized and submitted to HCD on May 3, 2024.

The Grants Division is now returning to the Board to request approval to submit a revised grant application for the Economic Development Technical Assistance & Micro-Enterprise Assistance Program. This revision includes an expanded budget, necessitated by new information received from the State following the prior submission. After the closeout of another County CDBG grant (20-CDBG-PI-12010 - Business Assistance and Recovery Business Loan Fund Program) in the fall of 2024, HCD indicated that any unused funds from this grant must be either transferred to an active CDBG application or returned to the State rather than being allocated back to the County's Program Income fund as previously understood. On September 24,

2024, the Grants Division had reported to the Board of Supervisors regarding the closeout of the Business Assistance and Recovery Business Loan Fund Program grant. At that time, it was indicated that the unused Program Income funds would be redirected to the County's Program Income fund.

In response to this information from the State, staff began discussions with HCD to revise the only currently open application for CDBG funding, which would entail incorporating the unspent \$119,169.49 from the 20-CDBG-PI-12010 grant into the existing Economic Development Technical Assistance & Micro-Enterprise Assistance Program application. This adjustment to the budget would provide additional funding for staff technical assistance and workshops for eligible microenterprises, as well as grant administration. Per HCD's recommendation to further spend down on hand PI, staff included additional PI funds in this budget for additional staff time, workshops, digital outreach, and resources. As a result, the total project budget has increased by more than 25%. HCD mandates a public hearing and a new Board resolution to move forward with the updated application.

With the Board's direction, staff will finalize and submit the County's revised application for the Economic Development Technical Assistance & Micro-Enterprise Assistance Program, resulting in a total budget of \$407,385.76 to HCD. Of note, the County of Mendocino currently has approximately \$1,028,733.47 in CDBG Program Income, prior to the approval of this application, available to allocate toward eligible CDBG projects. Planning for future projects will be forthcoming, and staff will return to the Board for direction on priorities for the use of these funds to support community and economic development initiatives.

The Chief Executive Officer or designee will sign and execute the amendment, applications, and other documents related to the grant. All public notices and resolutions presented are on HCD-mandated templates.

ALTERNATIVE ACTION/MOTION:

Provide alternate direction to staff.

STRATEGIC PLAN PRIORITY DESIGNATION: A Thriving Economy

SUPERVISORIAL DISTRICT: ALL

VOTE REQUIREMENT: Majority

SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT: [REDACTED]

FISCAL DETAILS:

SOURCE OF FUNDING: CDBG Grant revenue if awarded

CURRENT F/Y COST: \$0

BUDGET CLARIFICATION: Total grant funds of \$407,385.76 over three years to provide microenterprise technical assistance with grant funds if grant is awarded.

ANNUAL RECURRING COST: Yes.

BUDGETED IN CURRENT F/Y (IF NO, PLEASE DESCRIBE): Yes

REVENUE AGREEMENT: No

AGREEMENT/RESOLUTION/ORDINANCE APPROVED BY COUNTY COUNSEL: No

CEO LIAISON: Executive Office

CEO REVIEW: Choose an item.

CEO COMMENTS:

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Executed By: Deputy Clerk
Date: Date Executed

Final Status: Item Status
Executed Item Type: item

[Type text]

Number: