

RESOLUTION NO. ____-2022

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING APPLICATION FOR FUNDING, EXECUTION OF AGREEMENT, AND ANY AMENDMENTS THERETO FOR 2022 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) BUSINESS ASSISTANCE LOAN PROGRAM FUNDS

WHEREAS, the City of Fort Bragg held a Design Phase Public Hearing on March 1, 2022 to provide information about the Community Development Block Grant (CDBG) program and funding opportunities to solicit input from the community as to suggestions about possible use of grant funds; and

WHEREAS, the Community Development Committee discussed the 2022 CDBG Notice of Funding Availability (NOFA) at a regularly scheduled meeting on June 28, 2022; and

WHEREAS, the City of Fort Bragg currently has ten (10) open CDBG funded activities; and

WHEREAS, the City is not eligible to seek additional planning and technical assistance funds because existing open activities do not meet the 50% expenditure threshold; and

WHEREAS, the City is eligible to seek funds in the amount of \$750,000 for the CDBG Business Assistance Loan Program; and

WHEREAS, these funds serve start-ups or existing businesses within City limits. Funds may be used for purchase of equipment, inventory, real property, working capital, debt consolidation, and construction (Davis-Bacon Labor Law requirements must be followed for construction). Businesses may be loaned up to \$300,000, depending on available funds. For every \$35,000 loaned, one full-time job is created or retained, and 51% of those jobs are filled by members of the low- to moderate-income group. Loan amounts and terms are determined on a case by case basis, with interest rates starting as low as 1%. Terms are dependent on the recipient's cash flow needs and risk level of the loan. Repayment terms are based on the capacity of the business to repay, with deferral of payments possible based on income and expense projections. There are no loan fees; and

WHEREAS, CDBG requires that the governing body of the grantee adopt a resolution approving application for funding in the approved format of the Department of Housing and Community Development, included herein as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby approve the submission of 2022 CDBG application for Business Assistance Loan Program funds in the amount of \$750,000.

The above and foregoing Resolution was introduced by _____ seconded by _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 8th day of August, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

BERNIE NORVELL
Mayor

ATTEST:

June Lemos, MMC
City Clerk