



AGENCY:	City Council
MEETING DATE:	March 27, 2017
DEPARTMENT:	Community Devel.
PRESENTED BY:	J. Owen

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT, CONDUCT PUBLIC HEARING, AND ADOPT CITY COUNCIL RESOLUTIONS TO REVISE PROGRAM GUIDELINES FOR MICROENTERPRISE TECHNICAL ASSISTANCE AND SUPPORT SERVICES PROGRAMS FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT 16-CDBG-11140

ISSUE:

The City's 2016 Community Development Block Grant (CDBG) #16-CDBG-11140 includes funding to implement a Microenterprise Assistance Program that includes Financial Assistance, Technical Assistance, and Support Services. Pursuant to CDBG regulations, Program Guidelines that are compliant with current CDBG templates must be adopted for each of the CDBG Microenterprise Assistance program components before any program funding will be released by CDBG. Program Guidelines that comply with the current CDBG template for the Microenterprise Financial Assistance Program were adopted on March 13, 2017. Program Guidelines for the other two microenterprise programs funded by the 2016 grant, including Technical Assistance and Support Services, must also be updated to comply with current CDBG templates. Staff has thoroughly reviewed and edited current CDBG program guideline templates for Technical Assistance and Support Services to reflect local practice as well as CDBG and federal regulations.

Prior to considering adoption of a resolution authorizing each set of Program Guidelines, City Council must hold a public hearing to receive comments about the Program Guidelines. Upon local adoption of the Program Guidelines, the Authorizing Resolutions will be sent to CDBG so that Microenterprise Assistance program funding may be released.

RECOMMENDED ACTION:

Adopt City Council Resolutions to revise Program Guidelines for Microenterprise Programs Funded by CDBG 16-CDBG-11140:

1. Adopt Resolution approving CDBG Microenterprise Technical Assistance Program Guidelines.
2. Adopt Resolution approving CDBG Microenterprise Support Services Program Guidelines.

ALTERNATIVE ACTION(S):

Provide direction to staff regarding further modifications to the Technical Assistance and/or Support Services Program Guidelines and continue action on the matter. This action will result in delay in the new Microenterprise program launch until all Program Guidelines are finalized.

ANALYSIS:

The City's 2016 grant award includes funding to implement a Microenterprise Assistance program with the following components:

- Financial Assistance (loans and grants): \$23,255 (\$20,222 for loans/grants, \$3,033 for activity delivery)
- Technical Assistance: \$183,488
- Support Services: \$10,000

Before any Microenterprise activities can commence, a Microenterprise General Conditions checklist must be completed by the City and cleared by CDBG. One of the General Conditions is that CDBG-compliant Program Guidelines must be adopted for each Microenterprise program. Revised Microenterprise Financial Assistance Program Guidelines were adopted by City Council on March 13, 2017. Program Guidelines for Technical Assistance were last formally adopted in March 2013, and additional minor changes were approved by CDBG in April 2015. Since the 2015 revisions, CDBG has reformatted the Technical Assistance Program Guidelines template, so those changes must be incorporated. Support Services Program Guidelines were first adopted by City Council in February 2015, and minor changes are recommended to conform to the current CDBG template.

The Program Guidelines provide a comprehensive statement of the City's policies and procedures related to each program, and they also document conformity with State and federal CDBG regulations. The Program Guidelines are intended to be used by both program participants and program operators to convey important information about program specifics.

The Program Guideline formats are similar for each program. A summary of the significant components of each program is provided below.

Topic	Technical Assistance (TA)	Support Services (SS)
Program Operator	To be determined via an RFP process once funding is released; same operator for TA and SS. Current operator is West Company.	
Service Area	Within city limits	Within city limits
Eligible applicants	Existing or start-up, for-profit, micro enterprises with 5 or fewer employees including owners, located in city limits, owned by low-mod income individual(s).	Must be current, eligible microenterprise TA or Financial Assistance program participant.
Eligible uses of funds	Business development workshops or classes, one-to-one business counseling, structured peer networking, access to online business training courses, and other such services as available or recommended	Reimbursement of costs to provide dependent care services; reimbursement of travel costs to and from TA services or loan services; counseling; peer support groups.
National Objective	Low-mod income: owner(s) must self-certify that their families meet low/mod income guidelines.	Low-mod income: Owner(s) must be low-mod income per self-certification (for TA) or low-mod income per 3 rd party verification (for Financial Assistance).
Applicable laws (applicability depends on use of loan funds/project)	Environmental review -NEPA and CEQA, Davis Bacon/Prevailing Wage, and Relocation laws are not triggered with TA or SS funds. Conflict of interest and equal opportunity compliance laws are applicable.	
Other program information	Benefits provided to participants cannot be "direct financial assistance". Services are free to participants. Participants who fail to participate per agreements/work plans will be terminated from program(s).	

In June 2015, the State CDBG began requiring use of their templates for Program Guidelines. Jurisdictions may edit the templates to insert local preferences and practices as long as these do not conflict with State or federal regulations. Jurisdictions are to keep "redline" versions of the original CDBG template that show all deviations from the CDBG template. The attached Program Guidelines for Technical Assistance and Support Services reflect CDBG language except for minor edits. Staff has not recommended any significant deviations from the CDBG templates.

FISCAL IMPACT:

There is no immediate cost related to approval of the Program Guidelines. All direct program funds for Microenterprise Technical Assistance and Support Services are generally allocated to the program operator. The CDBG program generally provides adequate funding to cover staff costs for administrative support of CDBG activities.

CONSISTENCY:

The State CDBG mission is to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with City Priority Areas established in City Council's February 2015 Goal Setting process including Priority Area 2, "A Prosperous Economy." In addition, the City's 2014 Economic Development Strategy includes growing and retaining businesses with business technical support and resources (Strategies 1.1 and 1.2).

IMPLEMENTATION/TIMEFRAMES:

If City Council adopts Resolutions to approve the Program Guidelines, staff will compile the Microenterprise Assistance General Conditions checklist, including the Program Guidelines Authorizing Resolutions, and submit General Conditions documents to CDBG staff for review and approval. Once the General Conditions are approved by CDBG, program expenditures may commence. Staff expects compilation and submittal of the General Conditions package will be completed within two weeks of City Council approval. The CDBG approval process generally takes at least two weeks.

ATTACHMENTS:

1. Public Hearing Notice.
2. Resolution to Adopt Microenterprise Technical Assistance Program Guidelines.
3. Draft Microenterprise Technical Assistance Program Guidelines
4. Resolution to Adopt Microenterprise Support Services Program Guidelines
5. Draft Microenterprise Support Services Program Guidelines

NOTIFICATION:

1. Mary Anne Petrillo, CEO West Company

City Clerk's Office Use Only

Agency Action ☐ Approved ☐ Denied ☐ Approved as Amended

Resolution No.: _____ Ordinance No.: _____

Moved by: _____ Seconded by: _____

Vote: _____

☐ Deferred/Continued to meeting of: _____

☐ Referred to: _____