RECOMMENDED ACTION AND JUSTIFICATION:

Authorize staff to prepare an application to the Department of Housing and Community Development to launch a Microenterprise Assistance Program.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

In early October 2008, the Department of Housing and Community Development will release a Notice of Funding Available (NOFA) soliciting applications for the California Community Economic Enterprise Fund Component (EF Component). Among the EF Component is the Microenterprise Assistance Program, which is designed to assist low to moderate persons to develop a microenterprise.

A microenterprise is defined as a business that has five or fewer employees, one or more of whom owns the enterprise. Further, those developing microenterprises are defined as persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing a business.

Eligible Uses:

1. Provide credit including loans to launch a business; and
2. Technical assistance and advice on starting a business

National Objective issues related to Microenterprise Assistance

Assistance provided to owners of microenterprises, under the Microenterprise Assistance Activity, must meet the national objective of expanding economic opportunities principally for low to moderate income persons (TIG). The jurisdiction shall review the income of the owner of the microenterprise (employees of assisted business are not considered in meeting the national objective requirement). Any person receiving assistance under a CDBG-assisted Microenterprise Assistance activity must meet the Targeted Income Group (TIG) requirements. Moreover, according to Mother Lode Job Training (Mariposa office), some Welfare-to-Work clients express interest in launching a microenterprise. While this program is targeted to persons wishing to launch a business, collaboration among the Economic Development Office, Human Services Department and Mother Lode Job Training toward establishing opportunities addressing the Welfare to Work Program for Mariposa County will be forthcoming.

The income criterion for Mariposa County is referenced on the attached document titled “State Income Limits for 2008”. See Exhibit “A”.

The application to the Department of Housing and Community Development to establish a Microenterprise Assistance Program does not require a cash match. If the Board of Supervisors directs staff to prepare an application to the Department of Housing and Community Development, the proposed grant application will be in the amount of $200,000.

Proposed Next Step:

Per the guidelines of the Department of Housing and Community Development, staff is required to publish a notice to conduct a Pre Application Public Hearing before a governing body to provide information about the proposed project.
ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

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

Budgeted In Current FY? ( ) Yes (x) No ( ) Partially Funded
   Amount in Budget: $  
   Additional Funding Needed: $  

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. 58-457  Ord. No. _________
Vote – Ayes: 5  Noes: _________
Absent: _________  
Approved: _________  
Minute Order Attached  ( ) No Action Necessary

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  

COUNTY ADMINISTRATIVE OFFICER:  
   Requested Action Recommended  
   No Opinion  
   Comments: _________  
   CAO: _________

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

LYLE TURPIN, CHAIR
DIANNE A. FRITZ, VICE CHAIR
BRAD ABORN
JANET BIBBY
BOB PICKARD

DISTRICT II
DISTRICT IV
DISTRICT I
DISTRICT III
DISTRICT V

MARIPosa COUNTY BOARD OF SUPERVISORS
MINUTE ORDER

TO: RICHARD J. BENSON, CAO
FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: Authorize Staff to Prepare an Application to the Department of Housing and Community Development to Launch a Microenterprise Assistance Program

RESOLUTION No. 467

THE BOARD OF SUPERVISORS OF MARIPosa COUNTY, CALIFORNIA

ADOPTED THIS Order on October 7, 2008

ACTION AND VOTE:

Richard J. Benson, County Administrative Officer/Personnel/Risk Manager;
Authorize Staff to Prepare an Application to the Department of Housing and Community Development to Launch a Microenterprise Assistance Program

BOARD ACTION: Rick Benson advised of a revision in the staff report to delete the County’s cash match. Marilyn Lidyoff, Business Development Coordinator, reviewed the request, and discussion was held.

Input from the public was provided by the following:
Ruth Catalan asked about the distribution of the funds and the program and a possible future grant. Marilyn Lidyoff responded to the questions.
Eleanor Keuning asked whether there would be a market survey to determine whether the requested business would be successful here before the loan decision is made. Marilyn Lidyoff responded to the question.
MaryAnn Huff expressed support for this program and offered the Chamber’s assistance with personnel – perhaps with a small survey.
Paul Chapman asked why the County is going in the banking business. He stated he does not feel that people can start a small business and be successful in this economy.
Elaine Seymour, Chocolate Soup, provided input on her experience with starting her business with a small private loan; and she stated she sees this as an opportunity. She noted that the small businesses pay the most taxes in the United States.
Ruth Catalan stated she supports this program and feels it is a good idea. She was asking questions to get the answers for the public.

Further discussion was held relative to the program, including the recommended $15,000 maximum for a loan. Jim Rydingsword, Human Services Director, provided input on the program. (M)Fritz, (S)Bibby, Res. 08-467 was adopted approving the application as requested; and direction was given to look at having a $20,000 loan limit as discussed/Ayes: Unanimous.
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Note: See instructions/example on last page to determine income limit for households larger than 6 persons.