RESOLUTION - ACTION REQUESTED 2014-38

MEETING: January 28, 2014

TO: The Board of Supervisors

FROM: Rick Benson, County Administrative Officer

RE: Approve the Program Income Reuse Plan

RECOMMENDATION AND JUSTIFICATION:
Approve the Community Development Block Grant (CDBG) Program Income Reuse Plan for the Revolving Loan Accounts, and Authorize the County Administrative Officer to Sign the Reuse Plan. The Program Income Reuse Plan establishes where program income generated by micro-loans and business assistance loan plans (principal and interest) will be distributed. As directed by our CDBG administrator, the 2014 Program Income Reuse Plan allocates 100% of the Program Income to be deposited into the Microenterprise Financial Assistance Revolving Loan Account (ME-RLA). The reasoning behind the reallocation is that Mariposa County currently has a Business Assistance grant that will not sunset until December 2014, so Business Assistance loan funds should be drawn down from the current grant and not from the RLA. No proceeds are programmed to be deposited into the Business Assistance Revolving Loan Account (BA-RLA) per the above, nor from the Housing Rehabilitation (HR-RLA) or Homeownership Assistance (HA-RLA) accounts, as there are no current loans and, thus, no income from those two programs.

CDBG has indicated that, upon approval and adoption of a basic resolution, this Program Income Reuse Plan will not have to be revised for 5 years.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The current plan was approved in 2013.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
A negative vote would leave the existing plan in place; which allocates 50% of program funds toward Microenterprise and 50% of program funds toward Business Assistance loans. Per the direction of our CDBG grant administrator, 100% of program income should be allocated toward the Microenterprise RLA, since Mariposa County has a current Business Assistance grant. A negative action will leave the current Program Reuse Plan in place; which will not allow funds to be drawn down from the Business Assistance grant. The revised plan before your Board will allow use of grant funds.

FINANCIAL IMPACT:
The Program Income Reuse Plan will dictate to which Revolving Loan Account revenue will be allocated.

ATTACHMENTS:
CDBG PI Reuse Plan_new(PDF)

CAO RECOMMENDATION
Requested Action Recommended

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Lee Stetson, District I Supervisor
SECONDER: John Carrier, District V Supervisor
AYES: Stetson, Jones, Bibby, Cann, Carrier