RESOLUTION - ACTION REQUESTED 2020-368

MEETING: July 7, 2020

TO: The Board of Supervisors

FROM: Dallin Kimble, County Administrative Officer

RE: Ratify Letter of Support for RCAC’s EDA Grant Application to Fund a Regional RLF

RECOMMENDATION AND JUSTIFICATION:
Ratify a Letter of Support for the Rural Community Assistance Corporation’s Economic Development Administration (EDA) Grant to Fund a Revolving Loan Fund to Serve 15 Counties in the Sierra Region.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress on March 27, 2020 and provided more than $2 trillion in economic relief. As part of the economic stimulus and recovery package, the CARES Act allocated close to $2 billion dollars in funds to the Department of Commerce’s Economic Development Administration (EDA). The EDA rolled the funding into economic development grant opportunities for local jurisdictions and non-profit organizations. RCAC is submitting an application for the EDA CARES Act funding to create a regional RLF, which includes Mariposa County.

Mariposa County businesses have experienced a dramatic loss in revenue as a result of the global pandemic and the Shelter in Place (SiP) order. While the Small Business Administration’s Small Business Association Paycheck Protection Program (PPP) and Emergency Injury Disaster Loans (EIDLs) provided temporary support, many of the local small businesses still require access to capital in order to sustain long term. This letter, which RCAC requested on June 19, 2020 and was due on June 27, 2020, specifically requests funding for a low interest loan program that will benefit rural small businesses in the Sierra Nevada region.

Given the short timeframe and the competitive nature of the EDA CARES Act funding, staff has already sent this letter of support and recommends approval of this request to ratify that action.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board routinely approves or ratifies letters of support that it determines to be in the best interest of the county.
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ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve. Staff would notify recipients of a retraction in that event.

ATTACHMENTS:
EDA Letter of Support_RCAC (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Miles Menetrey, District V Supervisor
SECONDER: Rosemarie Smallcombe, District I Supervisor
AYES: Rosemarie Smallcombe, Marshall Long, Miles Menetrey
EXCUSED: Merlin Jones, Kevin Cann
June 22, 2020

A. Leonard Smith
Regional Director, Seattle Regional Office
Economic Development Administration
915 Second Avenue
Seattle, WA 98174

Re: RCAC’s proposal to operate a Revolving Loan Fund

Dear Mr. Smith,

Mariposa County is pleased to support Rural Community Assistance Corporation’s (RCAC) application for an Economic Development Administration (EDA) Economic Adjustment Assistance grant. Our county has experienced a series of disasters that has made it very difficult for local businesses to keep their doors open. This grant, if awarded, will be used to establish a Revolving Loan Fund (RLF) in Mariposa County and the surrounding Sierra Nevada region that will provide needed support for our small local businesses.

The novel coronavirus pandemic is the twelfth local emergency to hit Mariposa County in the last four years. Among the other disasters we have seen in recent years are the two largest wildfires in our history (which cumulatively burned 179,000 acres), three large floods, catastrophic tree mortality with more than 160 million dead trees in our region, and numerous undeclared disasters including small earthquakes and Public Safety Power Shutoffs (PSPSS).

Mariposa’s local economy is heavily dependent on visitors to Yosemite National Park. Our businesses had not yet recovered from so many other disasters when it was announced that Yosemite would be closed and Californians were instructed to stay home. More than three-quarters of our local businesses lost 60% or more of their gross revenue (measured year over year) over the three-month period from March through May. Some have not survived and many others are on the brink of bankruptcy.

The need for capital in Mariposa County is real and it is urgent. Many of our local businesses applied but could not obtain sufficient funds through the Small Business Association Paycheck Protection Program (PPP) and Emergency Injury Disaster Loans (EIDLs). While grants are, of course, most ideal for businesses that have already taken loans to keep their doors open through fires, floods and other disruptions, a regional revolving loan fund would be a welcome new resource for Mariposa County businesses.

Mariposa County - - An Equal Opportunity Employer
Rural Community Assistance Corporation (RCAC) has been an active partner in community and economic development throughout California. They have supported wildfire recovery, vital water infrastructure development, and lending projects for small businesses and community facilities. We are pleased for the opportunity to work with them in Mariposa County as we work to overcome the impacts of a global pandemic and possible recession.

On behalf of the Mariposa County Board of Supervisors, I encourage the EDA to seriously consider funding the RCAC application to establish a revolving loan fund for the Sierra Nevada region of California. With your support, RCAC will be able to provide needed training, technical assistance and access to capital to support our rural community in this critical time.

Sincerely,

Kevin Cann, Chair
Mariposa County Board of Supervisors