



MEMORANDUM

City of Angels City Council

Date: 3/17/2026
To: City Council
From: Amy Augustine, AICP
RE: Resolution 26-37 Letter of Agreement to partner with the San Joaquin Small Business Development Center for Assistance with the City's Community Development Block Grant Economic Development Program subject to securing CDBG funds

Recommendation:

Approve Resolution 26-37 Letter of Agreement to partner with the San Joaquin Small Business Development Center for Assistance with the City's Community Development Block Grant Economic Development Program subject to securing CDBG funds.

Background/Discussion:

In November, the City Council authorized an application for Economic Development through the federal Community Development Block Grant (CDBG) program implemented through the California Department of Housing and Community Development (HCD). The application is due 3/31/26.

The grant program intends to emphasize economic development in the downtown historic district, but with availability citywide, and would include, but not be limited to:

- Assisting commercial tenants in physically rehabilitating/upgrading a building to convert it from vacant to active use
- Securing equipment to run a new business/expand an existing business
- Providing working capital for start-up businesses
- Assistance in how to set up and run a new business or expand an existing one (training)
- It is likely that, as part of the project, a small-business incubator may be set up to assist microenterprises (businesses with 5 or fewer employees) to launch a new business.

Per CDBG guidelines, applicants must demonstrate capacity and experience operating an Economic Development Program. CDBG considers "experience" to include at least three years of CDBG Economic Development Experience or five years of commercial underwriting plus two years of general CDBG experience and provides four options:

1. *The Applicant (City) has hired staff with at least three years of CDBG ED experience or five years of commercial underwriting experience plus two years of general CDBG experience.*
2. *The Applicant has prepared a draft request for proposals (RFP) or subrecipient selection process for a qualified consultant or nonprofit ED group with direct experience in implementation of the ED activities proposed in the ED Program application.*

3. *The applicant has identified at least three (3) qualified consultants or nonprofit ED groups with direct experience in implementation of the ED activities proposed in the ED Program application.*
4. ***The Applicant commits to partnering with the Small Business Development Centers or a similar organization that has direct experience in CDBG ED program design, implementation, and commercial underwriting. This commitment will be a resolution, memorandum of understanding, or similar formal statement and will be required at application.***

Grant applications receive a high score in the qualifications category, if a pre-determined experienced consultant already has been hired. Therefore, Staff contacted the State's Small Business Development Center (SBDC) and was referred to Les Fong, Director of the San Joaquin SBDC. The San Joaquin SBDC serves Calaveras County.

The attached letter of Agreement would fulfill the CDBG requirement for *partnering* with a qualified consultant. CDBG guidelines do not include a necessity to pursue a request for proposals or federal procurement process when the applicant *partners* with a SBDC as shown in the above criteria.

Therefore, to ensure the maximum grant score for capacity and experience, staff recommend the City partner with SBDC. The attached proposal illustrates SBDC's work with the City of Stockton. The SBDC would be doing the same for the City of Angels should the City be successful in gaining funding.

Financial Impact

If successful, the City would secure \$1.5± million to assist small businesses in the City through grants and/or loans. Up to \$130,000 of that total would be allocated to the SBDC for assistance with the city's CDBG Economic Development Program (i.e., approximately \$120,000 for training and \$10,000 for assistance with financing/underwriting accessible through SBDC)

Attachment

Resolution 26-37

Letter of Agreement

Proposal