



MEMORANDUM

City of Angels City Council

Date: 11/18/2025

To: City Council

From: Amy Augustine, AICP

Re: Resolution 25-88 Authorizing an Application for a Micro-Enterprise Community Development Block Grant (CDBG)

Recommendation:

Approve Resolution 25-88 Authorizing an Application for a Micro-Enterprise Community Development Block Grant (CDBG)

Background/Discussion:

The grant program intends to emphasize 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
- Providing working capital for start-up businesses
- Assistance in how to run a new business (e.g., the permitting process)
- Other tasks that may be identified

The City held two public outreach events in conjunction with this application during the 2024 funding cycle: One on October 24, 2024, with Destination Angels Camp and one on October 28, 2024, for local business owners. Approximately 20 merchants attended representing 14± businesses—12 of them located in the Historic Commercial (HC) district.

Staff received approval from the City Council on 7/16/24 to pursue the same grant application for a Microenterprise CDBG to assist with economic development, emphasizing the downtown historic district, but including all of the City. The application was prepared and submitted within two hours of the grant portal opening. The City did not receive the grant as it was oversubscribed within an hour of the state portal opening.

The California Department of Housing and Community Development released a Notice of Funding Availability (NOFA) September 30, 2025, which includes the same funding source. A total of \$27,000,000 in federal funds is being made available. Applications are accepted commencing December 1, 2025, at 9:00 a.m. Staff investigated the availability of the City's former CDBG grant consultant, Adams/Ashby (that firm successfully secured nearly a half-dozen CDBG in the last cycle) to prepare and submit the application. Unfortunately, the firm does not do economic development

(microenterprise) grants. Based on the 2024 exhaustion of funding within the first hour of opening for applications, staff is proposing to involve all available office staff at City Hall to submit the grant within one hour of the grant portal opening on 12/1/25 to expedite the submittal (from 9 a.m. – 10 a.m.). This, coupled with an allocation of 25% of available funds being set aside for those jurisdictions that have not received grant funding in the past five years (other than Covid relief), increases the City's chances of success.

Applications can be for up to \$1.5 million to assist for-profit small businesses. The City expects to apply for the maximum. A similar grant was secured in the past with implementation planned through Destination Angels Camp (DAC). Ultimately, DAC declined to implement that portion of the grant requiring underwriting (making subgrants and loans). The grant term is two years and nine months. The grant is intended to encourage jobs for those without college degrees.

Per discussions between staff and the California Department of Housing and Community Development, the state recommended that staff not be tasked with undertaking business/grant underwriting. Therefore, staff propose hiring a project underwriter to assist in implementing the program. Staff previously met with the Bank of Stockton and that finance institution agreed to provide underwriting services in 2024 for this same program. Staff will again meet with Bank of Stockton to confirm they remain willing to assist the city with underwriting.

Financial Impact

If successful, the City could secure \$1.5± million to assist small businesses in the city through grants and/or loans. A portion of the funds would pay for an underwriter for the program.

Attachment

Resolution 25-88 (Note – State-required template)