



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Intergovernmental Agreement with Linn County for Emergency Small Business and Microenterprise Assistance CDBG Application

Preferred Agenda: June 9, 2020

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: Sweet Home City Charter

Towards Council Goal: Aspiration V, Goal #4

Attachments: DRAFT Small Business Assistance CDBG Intergovernmental Agreement

Purpose of this RCA:

The purpose of this RCA is to present an Intergovernmental Agreement (IGA) with Linn County for a Community Development Block Grant (CDBG) application to provide Emergency Small Business and Microenterprise Assistance and empower the City Manager to sign the IGA and a future sub-grantee agreement with Community Lending Works.

This IGA is a draft and has not yet been approved by Linn County. Changes may be necessary before Tuesday, June 9th.

Background/Context:

COVID-19 has had an enormous impact on small businesses throughout the nation. The City of Sweet Home has the opportunity to apply for \$150,000 to be used for Emergency Small Business and Microenterprise Assistance grants in all areas of Linn County except for the City of Albany (which is an entitlement City that can obtain CDBG funds directly). There is no local match for this grant. This grant is being awarded on a first-come, first-served basis, so the City needs to get an application submitted as soon as possible.

Of all the cities in this area, the City of Sweet Home is best situated to apply for these funds, and the application will be the most competitive if the funding is used in this area, rather than just within the Sweet Home city limits. The funding can only be granted to cities and counties, but must be administered through a Community Development Financial Institution (CDFI). The City has an existing relationship with DevNW and their subsidiary, Community Lending Works, which makes an application quicker and easier than seeking out another CDFI.

The Challenge/Problem:

How can the City utilize it's position to obtain federal grant funds to assist small businesses in Sweet Home and Linn County?

Stakeholders:

Sweet Home and Linn County Businesses:

Issues and Financial Impacts:

While the grant award can be up to \$150,000, there is no local match required. The only financial impact on the City is the cost of the staff time required to submit the application.

Elements of a Stable Solution:

A signed Intergovernmental agreement with Linn County, and a sub-grantee agreement with Community Lending Works will allow the City to proceed with the CDBG application.

Options:

1. Do nothing. Do not sign an IGA or sub-grantee agreement and do not apply for these CDBG funds.
2. Make a motion to authorize the City Manager to sign the proposed Small Business Assistance CDBG Intergovernmental Agreement with Linn County, and to enter into a sub-grantee agreement with Community Lending Works.
3. Direct Staff to seek a different CDFI or make changes to the proposed intergovernmental agreement.

Recommendation:

Option 2, motion to authorize the City Manager to sign the proposed Small Business Assistance CDBG Intergovernmental Agreement with Linn County, and to enter into a sub-grantee agreement with Community Lending Works.