



Date: December 13, 2022

Honorable Mayor and Council Members:

Author and title: Hilary Hobbs, Assistant to the Town Manager

Title: Hearing amending, withdrawing and closing Community Development Block Grant (CDBG) Standard Agreement 20-CDBG-C-V-00095 and adoption of Complaints and Appeals Procedure for the Town of Truckee CDBG program

Approved By: Jen Callaway, Town Manager

**Recommended Action:**

- (1) Open public hearing and accept comments regarding amendment, withdraw and closure of CDBG Standard Agreement CDBG-CV-2-3-00095 and adopt Resolution 2022-73
- (2) Adopt Resolution 2022-76, establishing a Complaints and Appeals Procedure for the Town of Truckee Community Development Block Grant Program

**Discussion:**

***CDBG CV 2-3 Microenterprise Economic Support Application Withdrawal***

On June 8, 2021, Town Council approved Resolution 2021-33 authorizing application for CDBG Coronavirus (CV) funds to fund two business support loan programs, the Microenterprise Economic Support Program and the Business Economic Support Program.

Both programs were structured to provide up to a \$30,000 loan to eligible businesses that suffered a financial loss as a result of the COVID 19 pandemic. Eligible uses of loan funds include operating capital, purchasing inventory, fixtures and equipment, and capital improvements responding to modifications required to address COVID- related impacts, and the loan is forgivable if the business meets all loan requirements during the three-month forgiveness period. To qualify, all businesses must meet certain criteria benefiting low and moderate income populations (< 80% AML). For the Business Assistance program, the low/mod requirement is achieved through the income of *employees* whose jobs are retained. The microenterprise program is available for business with five or fewer employees, including the owner(s) and the *owner(s)* must be low or moderate income to qualify.

To date, the Town has executed two Business Economic Support loans, and additional applicants are in the pipeline for this program. Due to the restrictive eligibility requirements of the Microenterprise Economic Support Program, no applications have been received for this program (in spite of targeted outreach by Sierra Small Business Development Center staff) and staff do not anticipate that we will be able to expend the Microenterprise funds during the performance period, which ends October 14, 2023.

The State of California, Department of Housing and Community Development (HCD), to meet HUD's expenditure deadlines of CDBG-CV-2-3 funding has requested jurisdictions that have not or do not anticipate expending their CDBG-CV-2-3 funds to withdraw from standard agreements and unencumber these funds no later than December 31, 2022. Staff recommend that the Town withdraw its application for the Microenterprise Economic Support program, while continuing to administer the Business

Economic Support program. This withdrawal would close out the standard agreement for the Microenterprise Economic Support grant and return the \$206,552 microenterprise program grant allocation to HCD. To date no grant funds from this standard agreement have been expended; the only expenditure has been \$1,350 of CDBG Program Income (PI) to support the program administration.

At the time of Microenterprise Economic Support program application, CDBG-CV-2-3 grant funds for this program were granted on an allocation basis and totaled \$206,552. Additionally, the Town committed \$54,000 of CDBG Program Income (PI) to augment this program for a total of \$260,552 for this activity. Subsequently, on October 25, 2022, Council approved Resolution 2022-65 unencumbering CDBG Program Income (PI) in the amount of \$52,650 enabling the Town to commit the PI to a new activity.

*Summary:* Staff recommends that Council adopt Resolution 2022-73, amending, withdrawing and closing the existing standard agreement with HCD for the Microenterprise Economic Support program.

### ***Complaints and Appeals Procedure for the Town of Truckee CDBG program***

The Town has been notified that HUD and HCD require that each jurisdiction receiving CDBG funds establish a Complaints and Appeals Procedure to provide for prompt and equitable resolution of complaints alleging actions prohibited by HUD's Community Development Block Grant and related federal requirements. To satisfy this requirement, staff have drafted a Complaints and Appeals Procedure for the Town of Truckee CDBG program.

*Summary:* Staff recommends that Council adopt Resolution 2022-76 establishing a Complaints and Appeals Procedure for the Town of Truckee Community Development Block Grant Program

### **Priority:**

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

**Fiscal Impact:** Adoption of Resolution 2022-73 would close out the Microenterprise Economic Support grant, which had allocated \$206,552 for eligible microenterprise business grants. These funds will be returned to HCD. Adoption of Resolution 2022-76 has no anticipated fiscal impact.

**Public Communication:** Agenda Posting

### **Attachments:**

- (1) Resolution 2022-73
- (2) Resolution 2022-76