

To: BOARD OF SUPERVISORS

FROM: Executive Office Choose an item.

MEETING DATE: November 4, 2025

DEPARTMENT CONTACT: Kelly Hansen
DEPARTMENT CONTACT: Xuyen Mallela

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ITEM TYPE: Noticed Public Hearing

TIME ALLOCATED FOR ITEM: 15 Minutes

AGENDA TITLE:

Noticed Public Hearing –

Discussion and Possible Action Including Adoption of Resolution Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto From the 2023 and/or 2024 Funding Year of the State Community Development Block Grant (CDBG) Program to Utilize Program Income (PI) Award in the Amount of \$479,931 for the County of Mendocino Business Loan Program and the Centro Negocio West Spanish Language Microenterprise Technical Assistance Project

RECOMMENDED ACTION/MOTION:

Adopt Resolution approving an application for funding and the execution of a grant agreement and any amendments thereto from the 2023 and/or 2024 Funding Year of the State Community Development Block Grant (CDBG) Program to utilize Program Income (PI) award in the Amount of \$479,931 for the County of Mendocino business loan program and the Centro Negocio West Spanish language microenterprise technical assistance project; and authorize the Chief Executive Officer to execute the grant Agreement and submit all documents if awarded and authorize Chair to sign the same.

PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:

The Board of Supervisors possesses the authority to allocate Program Income (PI) and to determine the projects that will be pursued for Community Development Block Grant (CDBG) funding subject to review and approval by the California Department of Housing and Community Development (HCD). The Grants Division comes before the Board of Supervisors for direction on priorities on the use of Program Income on a regular basis.

On July 29, 2025, the Board of Supervisors adopted a Resolution (25-137) approving an application for funding and the execution of a grant Agreement and any amendments thereto from the 2023 and/or 2024 Funding Year of the State Community Development Block Grant (CDBG) Program to utilize Program Income (PI) award in the Amount of \$351,725 for the Laytonville Healthy Start employment training program, Whale Gulch School ADA pathways project and the Whale Gulch School fire alarms project; authorize the Chief Executive Officer to execute the grant Agreement and submit all documents if awarded; and authorize Chair to sign the same.

SUMMARY OF REQUEST:

Staff is returning to the Board of Supervisors to seek direction on priorities for allocating the remaining 24-25 CDBG Program Income (PI) funds, which must be assigned to eligible projects before the County can pursue competitive CDBG funds through the 2025 NOFA. As of June 30, 2025, the County had a balance of \$647,950 in CDBG PI available for eligible projects. Following the Board's direction in the July 29, 2025, BOS meeting, staff began preparing applications for the approved projects. However, during this process, HCD notified the County that the Board-approved Laytonville employment training project was ineligible for Program Income funding, despite earlier confirmation of its eligibility by HCD. As a result, the application cannot proceed, leaving the County with \$479,931 in available Program Income.

With the 2025 NOFA released on September 30 and applications opening December 1, staff must demonstrate to HCD that the County has a clear plan for allocating remaining PI before pursuing competitive CDBG funds. Staff is therefore returning to the Board to present recommendations for funding two PI projects. These projects are closely aligned with CDBG criteria and program goals. Evaluation considered several key factors: community impact, benefits to low- and moderate-income (LMI) populations, strength of the implementation plan and schedule, alignment with County plans and priorities, organizational capacity and relevant experience, and project cost.

- **County of Mendocino | Business Loan Program | \$379,931**

The County of Mendocino's Business Loan Program will use CDBG funds to offer flexible, low-interest, forgivable loans to start-ups, business expansions, and projects that focus on job creation and retention. The program will prioritize businesses that can demonstrate their ability to create or retain jobs for low- and moderate-income (LMI) residents, enhance economic resilience, and strengthen the local tax base. Eligible loan uses will include equipment purchases, working capital, leasehold improvements, and site development. To qualify, businesses must provide documentation showing public benefit, through job creation or retention for LMI individuals, and meet federal requirements. The Economic Development Division will manage the program, aligning with the County's economic development strategy to promote entrepreneurship, rural business vitality, and expanded access to capital.

- **Centro Negocio West (CNW) | Spanish Language Microenterprise Technical Assistance Project | \$100,000**

Established in 2021 by West Center, Centro de Negocios West (CNW) is Mendocino County's only no-cost, Spanish-language business resource, created to break down barriers for rural Latino entrepreneurs. Through the project, CNW aims to empower low- to moderate-income Spanish speaking microentrepreneurs with culturally responsive counseling, training, workshops, and networking. Its hybrid service model, offering in-person, mobile, and online support, directly tackles language, cultural, and geographic challenges, helping microenterprises formalize, grow, and create jobs. By providing tailored, holistic assistance, CNW closes critical gaps in access to resources and opportunity, building a more inclusive, equitable, and resilient local economy.

Staff supports the CDBG RFP Committee's recommendation of MCHC's urgent care clinic project for the 2025 NOFA given the project size of \$3,300,000. Staff will present this application in a forthcoming public hearing for Board review and approval.

With the Board's direction, the Grants Unit will finalize and submit two Program Income applications for the above projects. Planning for future projects, with the 25-26 PI funds, will be forthcoming, and staff will return to the Board for direction on priorities for the use of these funds to support community and economic development initiatives.

The Chief Executive Officer or designee will sign and execute applications, and other documents related to these grants. All public notices and resolutions presented are on HCD-mandated templates.

ALTERNATIVE ACTION/MOTION:

Provide alternate direction to staff.

STRATEGIC PLAN PRIORITY DESIGNATION: A Thriving Economy

SUPERVISORIAL DISTRICT: ALL

VOTE REQUIREMENT: Majority

SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:

<https://www.mendocinocounty.gov/business/economic-development/frequently-asked-questions-fags>

FISCAL DETAILS:

SOURCE OF FUNDING: CDBG Grant revenue if awarded

CURRENT F/Y COST: \$0

BUDGET CLARIFICATION: Total grant funds of \$379,931 over two years and nine months performance period for projects listed above if grant is awarded.

ANNUAL RECURRING COST: Yes.

BUDGETED IN CURRENT F/Y (IF NO, PLEASE DESCRIBE): No

REVENUE AGREEMENT: No

AGREEMENT/RESOLUTION/ORDINANCE APPROVED BY COUNTY COUNSEL: Yes

CEO LIAISON: Executive Office

CEO REVIEW: Choose an item.

CEO COMMENTS:

FOR COB USE ONLY

Executed By: Deputy Clerk

Date: Date Executed

Final Status: Item Status

Executed Item Type: item

Number: