



Legislation Text

File #: 15-0298, **Version:** 1

Recommendation to approve the Revolving Loan Fund Program Administrative Plan (Plan) required by the Economic Development Administration; and

Adopt resolution authorizing Economic Development Commission to designate three of its members as the Revolving Loan Fund Committee responsible for administering the Revolving Loan Fund Program under the Plan. (Citywide)

In March 2001, the City Council authorized an application to the Economic Development Administration (EDA) for \$1 million in grant funds to establish a Revolving Loan Fund (RLF) to benefit small and minority businesses in the City. This application was approved by the EDA and the City accepted grant funds in September 2001. The City has since used EDA funds plus local matching funds to augment the RLF to assist local businesses in expanding and creating/saving jobs.

Through active participation and partnership with the local Small Business Development Center (SBDC), National Development Council (NDC), local banks, and Certified Development Corporations (CDCs), the City has developed effective tools for economic development planning, coordination, and cooperation and easy access to conventional loans. Most recently, the City has expanded its partnership with Long Beach City College to provide access to capital for eligible candidates participating in the Goldman Sachs 10,000 Small Businesses initiative.

The EDA requires that the City approve and adopt, from time to time, an updated Revolving Loan Program Administrative Plan (Plan) governing the administration of various EDA loan programs. The Plan also requires the formation of an RLF Committee to oversee and administer the RLF Program. The current RLF Loan Committee was selected in 2009 by the former Redevelopment Agency Board. The three-member Loan Committee consists of a member of the former RDA Board, a local business owner, and a banker active in commercial financing. With the dissolution of redevelopment statewide, this committee is no longer functional. As a result, staff requests that the City Council approve assigning the role of the RLF Loan Committee to the newly-formed Economic Development Commission which will be then responsible for selecting future RLF Loan Committee members from its Commission members.

The RLF Committee will be responsible for reviewing loan applications, making loan policy, and approving loans and major restructuring when necessary. Loans not exceeding \$100,000 will be approved by the RLF Committee. Loans of \$100,000 or more are recommended by the RLF Loan Committee and referred to the City Council for final approval. The RLF Loan

Committee members are required to have business or related experience in areas such as banking, accounting, education, trade, tourism, law, technology, real estate or manufacturing.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on March 11, 2015, and by Budget Management Officer Victoria Bell on March 18, 2015.

City Council action on this matter is requested on April 7, 2015.

There is no fiscal impact associated with this recommendation. Approval of this recommendation will provide continued support to the local business community.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH (I) APPROVING THE REVOLVING LOAN PROGRAM ADMINISTRATIVE PLAN AS REQUIRED BY THE ECONOMIC DEVELOPMENT ADMINISTRATION, AND (II) AUTHORIZING THE ECONOMIC DEVELOPMENT COMMISSION TO DESIGNATE THREE OF ITS MEMBERS AS THE REVOLVING LOAN FUND COMMITTEE RESPONSIBLE FOR ADMINISTERING THE REVOLVING LOAN FUND PROGRAM UNDER THE PLAN

MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER