

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**

**Prepared on:** 11/10/2005  
**Department Name:** Housing & Comm Dev  
**Department No.:** 055  
**Agenda Date:** 11/15/05  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

---

**TO:** Board of Supervisors

**FROM:** Edward L Moses, Director  
Housing and Community Development Department

**STAFF  
CONTACT:** Jim Claybaugh, Economic Development Coordinator, 560-1093  
Richard Morgantini, Economic Development Assistant, 560-1092

**SUBJECT:** **2005 Community Development Block Grant Application  
Economic Enterprise Funds for Microenterprise Program**

---

**Recommendation(s):**

That the Board of Supervisors:

1. Adopt the attached resolution (Attachment A) approving up to a \$300,000 Economic Development Allocation CDBG grant application to the State Department of Housing and Community Development and authorize the Director of Housing and Community Development to submit the \$300,000 grant application to the California State Department of Housing and Community Development for funds to provide Microenterprise Assistance to the County unincorporated area and certain incorporated cities within the State CDBG program.
2. Authorize the HCD Director to sign all documents required for submittal of the CDBG application, grant agreement, drawdown of funds, and submittal of minor amendment requests consistent with the purpose of the grant and grant administration.
3. Authorize a Sub-Recipient Agreement with Women's Economic Ventures (Attachment B) to assume all performance responsibilities of the grant other than General Administration, which will be performed by the County.

**Alignment with Board Strategic Plan:** The recommendation(s) are primarily aligned with Goal No. 4. A Community that is Economically Vital and Sustainable.

**Executive Summary and Discussion:**

## Citizen Participation Process and Public Hearing

The County has the opportunity to apply for State Community Development Block Grant (CDBG) Funds for Economic Development. A grant application for such funds has been prepared and is described below.

The County is the eligible applicant for the CDBG funds, and is one of approximately 180 local governments throughout California that are in the State Small Cities CDBG Program. The federal source of the funds is the Department of Housing and Urban Development (HUD).

CDBG requires opportunities for Citizen Participation regarding the County's proposed use of CDBG funds. As part of the County's Citizen Participation Plan, on September 9, 2005, HCD sponsored a publicly noticed hearing, during which the State CDBG program and the County activity selection criteria were discussed for a 2005 application.

This hearing before the Board of Supervisors represents the second required hearing on the 2005 CDBG application. Following the close of the hearing, the Board is requested to take the actions listed above.

The required purpose of all CDBG funds is to benefit low and moderate income persons.

### Grant Amount Requested

General Administration	-	\$ 22,500
Activity Delivery	-	\$ 27,750
Microenterprise Services	-	\$100,000
Microloans	-	\$149,750

Total: \$300,000.

### Application and Use of Funds

The CDBG grant application requests funds to expand microenterprise assistance to low-moderate income residents and microenterprises in Santa Barbara County. The County has recognized the importance and appropriateness of microenterprise development because of the high percentage of ethnic minorities and the high poverty rate among minority and female-headed households.

While the County is the applicant, the service provider will be Women's Economic Ventures (WEV). The grant will be administered by the County, using grant funds for the cost of grant administration. This framework regarding grant implementation by a community non-profit and grant administration by the County is a model the County has successfully used for many of its past CDBG grants.

Women's Economic Ventures (WEV) is a local, non-profit organization serving Santa Barbara County since 1987. WEV is dedicated to helping low-income persons become economically self-sufficient through entrepreneurship. Although WEV's original mission was to assist primarily low-income women, programs have grown to include low-to moderate-income men as well, especially Latinos. WEV is a highly successful and growing organization. During the past 12 years WEV has

grown from an organization with 1.5 employees and an annual budget of \$68,000 to one with 11 employees and an annual budget of \$827,013. WEV became a U.S. Treasury Certified Community Development Financial Institution in 1999. WEV has also built a strong and diverse base of community support with over 1000 donors—63% of WEV's 2005 budget is projected to come from private sources. Since its inception, WEV has provided training and support services to over 4,000 clients. In order to avoid cutting programs, WEV must continue to seek public funding source assistance in order to continue to serve Santa Barbara County residents. This CDBG grant application is one such request for additional funds.

The WEV Microenterprise Assistance Program contained in the CDBG grant application is composed of four components:

- Comprehensive 14-week, 56-hour self-employment training program
- Individual and group business counseling
- Technical assistance to borrowers
- Loans to microenterprise businesses for start-up and expansion -- up to \$100,000.

WEV will be responsible for operating the CDBG funded program; marketing it; tracking the use of the services; incorporating the support of other organizations – such as the Small Business Development Center, Service Corps of Retired Executives (SCORE), Chambers of Commerce, and local banks; and providing full compliance and reporting necessary for the grant funds.

WEV's services are more fully explained in the rear of the Subrecipient Agreement, Attachment B.

#### Leverage for the Grant Funds

Leverage for the grant application will be provided by WEV. The WEV Small Business Loan Fund will contribute \$75,000 in Private Leverage for micro loans made under this program. No more than \$50,000 of any one loan will consist of CDBG funds. Loan amounts exceeding \$50,000 will be funded out of private capital provided by the loan fund. The source of the private leverage is funding provided by local banks in cooperation with WEV.

#### Target Area

The CDBG funded services will be targeted to low and moderate income persons owning businesses in the County unincorporated area, or in cities within the County that participate in the State CDBG Program. (Buellton, Carpinteria, Goleta, Guadalupe, and Solvang). By HUD ruling, communities which receive CDBG funds directly from the federal government (Santa Maria, Santa Barbara, Lompoc) are not eligible to receive services funded by the State CDBG funds.

It is important to note that WEV provides this program for all County residents. The CDBG funding will pay for those residents and businesses which qualify as members of the Target Income Group.

#### Subrecipient Agreement

In the State CDBG Program the required method of utilizing the services of a community non-profit which is the provider of the grant services, once the grant is funded, is a Subrecipient Agreement between the County and the community non-profit agency (WEV). The Subrecipient Agreement passes on to the agency all the federal and state requirements regarding use of grant funds, as well as

the details of the service which WEV will provide. At the rear of the Subrecipient Agreement is the detailed Scope of Work which WEV will provide.

An executed form of the Subrecipient Agreement is to be included in the grant application. The recommended Subrecipient Agreement is attached for approval and final execution by the County and WEV. The Resolution before the Board includes approval of the Subrecipient Agreement.

Term of Grant Program

Once the grant application is funded, the term of the grant is 30 months.

**Mandates and Service Levels:**

This is non-mandated program. Grant administration is funded from the general administration allocation of the grant.

**Fiscal and Facilities Impacts:**

If the grant is awarded, the County will receive \$300,000 of CDBG funds for the operation of the Microenterprise Program in County unincorporated areas and those non-entitlement Cities within the county which are in the State CDBG Program. The funds will be used by Women's Economic Ventures, through the Subrecipient Agreement, to provide the microenterprise services and operation of the Microenterprise Program in compliance with all federal and state grant requirements. Of total amount of grant funds, the County will receive \$22,500 in CDBG Economic Development Allocation funds for general administration, monitoring and reporting. If the County receives these grant funds, a budget revision will be submitted to the Board of Supervisors, to be added to the HCD Economic Development Program budget which is included in the FY 2005/06 budget, pages D-247-263 and can be found in the County's FY 05-06 Operating Plan in the Housing and Community Development Department, Economic Development Program cost center.

**Special Instructions:**

The Housing and Community Development Department will provide public notice. Return one original executed copies of the resolutions to Housing and Community Development.

**Concurrence:**

None.

**Attachments:**

- Resolution (Attachment A)
- Sub-Recipient Agreement (Attachment B)
- Application Summary (Attachment C)

**ATTACHMENT A**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
COUNTY OF SANTA BARBARA**

A RESOLUTION APPROVING AN APPLICATION FOR )  
FUNDING FROM THE ECONOMIC DEVELOPMENT )  
ALLOCATION OF THE STATE COMMUNITY )  
DEVELOPMENT BLOCK GRANT PROGRAM AND )  
AUTHORIZING THE EXECUTION OF A GRANT )  
AGREEMENT AND ANY AMENDMENTS THERETO )  
WITH THE STATE OF CALIFORNIA FOR THE PURPOSES )  
OF THIS GRANT )

**WHEREAS:**

- A. The County of Santa Barbara, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the Economic Development Allocation of the 2005 State of California Community Development Block Grant Program; and
- B. The County has reviewed the citizen participation plan for compliance with federal statutes and has determined that this plan was followed for the development of this application.

**IT IS NOW THEREFORE RESOLVED THAT:**

- 1. The Board of Supervisors has reviewed and hereby approves an application for : State Community Development Block Grant (CDBG Program) for \$300,000 from the Enterprise Fund Component to operate a CDBG Microenterprise Program in County targeted unincorporated areas and in targeted incorporated cities which are in the State CDBG Program in substantially the form attached hereto. The grant funds will be used as follows:

General Administration	-	\$ 22,500
Activity Delivery	-	\$ 27,750
Microenterprise Assistance	-	\$100,000
Microloans	-	\$149,750

- 2. The County of Santa Barbara will enter into a Subrecipient Agreement with Women’s Economic Ventures to operate this CDBG funded Microenterprise Program and assume all CDBG performance responsibilities other than General Administration.
- 3. General Administration of the grant will be provided by the County of Santa Barbara.
- 4. The Director of the Department of Housing and Community Development is hereby authorized and directed to act on the County’s behalf in all matters pertaining to this application.
- 5. If the application is approved, the HCD Director is authorized to enter into and sign the grant agreement and any minor subsequent amendments, consistent with the purpose of the grant, with the State of California.

PASSED, APPROVED, AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, State of California, on the Fifteenth day of November, 2005 by the following vote.

AYES:

NOES:

ABSENT:

---

Chair of the Board of Supervisors  
County of Santa Barbara

ATTEST:

Michael Brown  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
County Counsel

By: \_\_\_\_\_  
County Counsel

APPROVED AS TO FORM  
ROBERT W. GEIS  
Auditor - Controller

By: \_\_\_\_\_

**Attachment B**

**COUNTY OF SANTA BARBARA  
2005 MICROENTERPRISE ASSISTANCE PROGRAM  
SUBRECIPIENT AGREEMENT**

THIS AGREEMENT is made between the County of Santa Barbara, a political subdivision of the State of California (hereinafter "Grantee"), and Women's Economic Ventures (hereinafter called the "Subrecipient"); as of the date of final execution of this document by both the Grantee and Subrecipient.

WHEREAS, the Grantee has applied for funds from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and has prepared this Agreement in anticipation of receiving the funds; and

WHEREAS, the Grantee, in the event of receiving the funds, wishes to engage the Subrecipient to assist the Grantee in utilizing such funds.

NOW, THEREFORE, it is agreed between the parties hereto that;

**I. SUBRECIPIENT STATEMENT OF WORK**

The Subrecipient will be responsible for implementing a CDBG Year 2005 Microenterprise Assistance Program in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the activities listed in "Attachment A, Statement of Work of the Subrecipient" and eligible under the Community Development Block Grant Program.

**II. GENERAL ADMINISTRATION OF THE GRANT**

The Grantee will be responsible for ensuring funds provided under this Agreement are used in accordance with all state and federal grant requirements, including the scheduled milestones identified in the Standard Grant Agreement. This will begin with clearance of Special Conditions and end with satisfactory monitoring and closure of the grant. The Grantee will prepare all required CDBG reports and comply with all required processes. These will include, but not be limited to: Quarterly Financial and Accomplishment Reports, Annual Grantee Performance Reports, Quarterly and Annual Program Income Reports, Economic Development Progress Reports, Cash Requests, Section 3 Reports, and Wage Compliance Reports (if applicable).

Subrecipient agrees to provide the Grantee with beneficiary documentation and any other information required for Grantee reporting requirements.

**III. NATIONAL OBJECTIVES**

The Subrecipient certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives - 1) benefit low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, 3) meet community development needs having a particular urgency as defined in 24 CFR Part 570.208.

IV. PERFORMANCE MONITORING

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated by Grantee.

V. TIME OF PERFORMANCE AND TERM OF AGREEMENT

Services of the Subrecipient shall start on the day the Grantee notifies the Subrecipient that the Grantee has an Executed Standard Agreement between the State of California and the Grantee for the CDBG funding of the Microenterprise Program and has cleared the Standard Agreement's Special Conditions, enabling startup of the activities of the Microenterprise Program. To the extent necessary the Grantee may require participation of the Subrecipient in the clearing of the Special Conditions.

The term of this Agreement and the provisions herein shall remain in effect during the term of the 2005 CDBG grant funding the Microenterprise Program, and may be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other assets, including program income.

VI. COMPENSATION

Any indirect costs charged must be consistent with the conditions of Paragraph XI, Administrative Requirements, of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to this budget must be approved in writing by the Grantee and the Subrecipient.

VII. PAYMENT

It is expressly agreed and understood that the total to be paid by the Grantee under this contract shall not exceed Two Hundred Seventy-seven Thousand Five Hundred Dollars (\$ **277,500** ) Drawdowns for the payment of eligible expenses shall be made against the budget line item specified in Paragraph III herein and in accordance with performance.

Payments shall be made contingent upon receipt of funds from the State CDBG Program and certification of the Subrecipient's financial management system in accordance with the standards specified in OMB Circular A-110, Attachment F.

VIII. NOTICES

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Subrecipient

Edward Moses, HCD Director  
County of Santa Barbara  
105 East Anapamu Street, #105  
Santa Barbara, CA 93101  
(805) 568-3520  
(805) 568-2289

Marsha Bailey, Executive Director  
Women's Economic Ventures  
21 East Canon Perdido Street, Suite 222  
Santa Barbara, CA 93101  
(805) 965-6073  
(805) 962-1396

IX. SPECIAL CONDITIONS

Subrecipient will make periodic reports to the County's Economic Vitality Committee.

X. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)). The Subrecipient also agrees to comply with all other applicable Federal, State and local laws, regulations, and policies governing the funds provided under this Agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the Subrecipient is an independent subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of Attachment B of OMB Circular A-110, Bonding and Insurance and the insurance requirements set forth on Attachment B-1.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the grantor agency in providing services through this Agreement. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both parties, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

Except as set forth below the Grantee may, in its discretion, unilaterally amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications may be made only pursuant to a written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial termination of the Scope of Service in Paragraph 1.A above may only be undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

The Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to any other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said funds to be provided under this Agreement until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

## XI. ADMINISTRATIVE REQUIREMENTS

### A. Financial Management

#### 1. Accounting Standards

The Subrecipient agrees to comply with Attachment F of OMB Circular A-110 and agrees to adhere to the accounting principles and procedures required therein, to utilize adequate internal controls, and to maintain necessary source documentation for all costs incurred.

#### 2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred hereunder whether charged on a direct or indirect basis.

### B. Documentation and Record-Keeping

#### 1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal Regulations set forth in 24 CFR Part 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

#### 2. Retention

The Subrecipient shall retain all records pertinent to expenditure incurred under this Agreement for a period of three (3) years after the termination of all activities funded under this Agreement. Records regarding non-expandable property acquired with funds under this Agreement shall be retained for three (3) years after final disposition of such property. Records regarding any displaced person must be kept for three (3) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the three-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian or unless Grantee in its discretion determines that disclosure of such information is legally required.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold with fund provided hereunder. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR Parts 570.503(b)(8), as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees and/or the Federal Government, at any time during normal business hours, as often as the Grantee or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt of notice of such deficiency by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a breach of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and, as applicable, OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income as defined at 24 CFR 570.500(a) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the term of this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the Grantee at the end of the term of this Agreement. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made only for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Payment Procedures

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

The Subrecipient shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards as modified by 24 CFR 570.502(b)(6), covering utilization and disposal of property.

3. Travel

The subrecipient shall obtain prior written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with the California Fair Employment and Housing Act, Section 2-95 of the County Code and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 50 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability, HIV status or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, and providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29

U.S.C. 706), which prohibits discrimination against the handicapped in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds provided under this Agreement.

2. W/MBE

The Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. EEO/AA Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the applicable requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CDR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeyworkers; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, the regulations set forth in 24 CFR 135, and all other applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee,

the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C.1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low-and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

To the extent relevant to the work to be provided hereunder, Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to such subcontracts upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontractors

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this contract, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The Subrecipient further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the Subrecipient. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or subrecipients that are receiving funds under the State CDBG program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-

LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and

d. Lobbying Certification - Paragraph d

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.200(j)

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the

National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and advisability and availability of blood level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this contract.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

**County of Santa Barbara**

**Women’s Economic Ventures**

By: \_\_\_\_\_  
Name: Edward L. Moses  
Title: Director, HCD

By: \_\_\_\_\_  
Name: Marsha Bailey  
Title: Executive Director

Fed. I.D.# \_\_\_\_\_

**APPROVED AS TO FORM**

Attest: \_\_\_\_\_  
Name: Bob Geis  
Title: County Auditor-Controller

**APPROVED AS TO FORM AND LEGAL SUFFICENCY**

**Stephen Shane Stark  
County Counsel**

---

DEPUTY COUNTY COUNSEL

**AFFIRMATIVE ACTION APPROVAL**

---

CONTRACT COMPLIANCE SUPERVISOR

## STATEMENT OF WORK, WOMEN'S ECONOMIC VENTURES "SUBRECIPIENT"

Women's Economic Ventures, the Subrecipient, will be responsible for implementing the CDBG 2005 Microenterprise Assistance Program in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant Program:

### I. Microenterprise Assistance Program

1. **Self-Employment Training (SET):** a 14-week, 56-hour course, using WEV's custom-designed curriculum, *From Vision to Venture: Planning for Business Success*. The class is composed of four major components: 1) self-assessment and personal skills development such as goal-setting, personal financial management and building support networks 2) Business Feasibility 3) Business Management Skills 4) Business Planning. The goal of the program is for each client to complete a feasibility study and a business plan. Prior to enrolling in the SET program, clients must attend a free Business Readiness Workshop. The workshop provides participants with an orientation to the course including a description of course content and outside time requirements for completing assignments. Clients receive a 4-page application in which they state their goals for taking the program. These services will be available to eligible persons in the Target Area as identified in the County's 2005 CDBG Economic Enterprise Fund Application. SET classes will be offered within the borders of targeted areas and require a minimum of 15 participants. Classes are convened twice-yearly beginning in September and February. Orientation workshops are held during the six-week period prior to class start. Classes are available in either Spanish or English provided the minimum class size is met.
2. **Post-Loan, Post-Training Follow-up Services:** Upon course completion, entrepreneurs are eligible to transition into comprehensive individual and group business counseling tailored to their needs. **Mastermind**, a group of five peers facilitated by WEV staff, helps graduates who have not yet started a business continue to progress towards that goal. **Roundtables for Business Owners** (RBOs) consist of ten to fifteen clients who are already conducting business. Peers and a WEV facilitator help participants to identify and successfully address challenges to growing their businesses. Individual Business Counseling is available through a collaborative agreement with the South Central Coast Small Business Development Center (SBDC). All loan applicants are automatically referred to the SBDC for individual assistance and successful borrowers are required to participate in a Roundtable. *Mentorship* is also available to WEV graduates and is arranged through WEV staff and the Friends of WEV, an auxiliary support organization. These services will be available to eligible persons in the Target Area as identified in the County's 2005 CDBG Economic Enterprise Fund Application.
3. **Small Business Loan Fund:** WEV's microloan fund provides start-up loans of up to \$25,000 and expansion loans of up to \$100,000 to microenterprises unable to secure conventional bank financing. WEV was designated a Community Development Financial Institution (CDFI) in 1999 by the U.S. Department of the Treasury. A committee of ten local business and banking representatives oversees lending activities. These funds will be available to eligible persons in the Target Area as identified in the County's 2002 CDBG Economic Enterprise Fund Application. Funds are eligible for activities that meet the County's Program Guidelines for Microenterprise Assistance Loans. The County's Program Guidelines address the CDBG Underwriting Criteria.

4. **Technical Assistance:** WEV provides technical assistance in both Spanish and English to potential borrowers in creating their business plans, completing loan applications, and identifying other potential sources of capital. This assistance will be available to eligible persons in the Target Area as identified in the County's 2005 CDBG Economic Enterprise Fund Application and will be provided within the borders of the target area.
5. **Microenterprise Assistance Program Marketing:** Subrecipient will reach its target market area primarily by building relationships with community members and organizations which serve the poor, by locating services in facilities which are frequented by our target groups, by conducting market research, and by involving numerous community members in all aspects of operations.

Subrecipient will promote its programs through local media and through other community organizations such as: Community Action Commission, Catholic Charities, continuing education programs, childcare training providers, SBDCs, County Social Services, low-income housing providers such as People's Self-Help Housing and the Santa Barbara Housing Authority, Chambers of Commerce, and community centers.

All services will be available in Spanish as well as English.

Subrecipient will use previously developed mailing list of over 4,000 people and will send program announcements prior to the start of each program.

Subrecipient staff will meet with loan officers from local banks to explain the microloan program and request referrals.

Subrecipient will also use its donor base of over 1000 individuals, corporations and foundations as a marketing tool.

## II. **Activity Delivery**

WEV will provide loans to eligible TIG individuals who are seeking to start or expand a microenterprise and who meet qualifying requirements as described in Loan Fund Policies and Procedures. Loan Fund Policies and Procedures will follow CDBG overlay and underwriting guidelines. Loans of up to \$25,000 are available for start-ups and up to \$100,000 for expansions. No more than \$50,000 of CDBG loan capital will be committed to any one borrower. Loan amounts in excess of \$50,000 will be funded through private bank leverage provided by WEV's Small Business Loan Fund.

WEV loan fund staff will:

- Distribute application materials to potential borrowers
- Determine client eligibility by collecting and reviewing income documentation and credit reports
- Package loans for committee review
- Perform due diligence (verify that business exists and that statements provided by borrower are true.)
- Verify existence and quality of collateral and secure appropriate liens
- Produce loan documents
- Disburse loans
- Monitor and collect loans
- Generate portfolio performance reports as needed

## III. **Levels of Accomplishment**

In addition to the normal administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of program services:

<u>Activity</u>	<u>Units per year</u>	<u>Units per grant period</u>
Orientation	20	40
Self Employment Training	15	30
Post-Loan, Post-Training Follow-up Services	10	20
Small Business Loans	5	10
T.A. Loan Consultations	50	100
T.A. Pre-Qualification	15	30

\*Definition of Units of Service:

1. Self Employment Training: Total number of clients attending orientations and enrolling in training.
2. Post-Loan, Post-Training Follow-up Services: Total Number of persons participating in all Follow-up Services a) Mastermind b) Mentorship
3. Small Business Loan Fund (Small Business Loans): Total number of loans made
4. Technical Assistance: a) Number of loan consultations b) Number of prequalification packages

**APPLICATION FORM**

**SECTION I. APPLICATION SUMMARY**

All applicants should complete Sections A., B., C., D., and E. of this section.

**A. APPLICANT AND PROJECT INFORMATION**

1. Applicant:

<input checked="" type="checkbox"/> On Applicant's Own Behalf	<input type="checkbox"/> Joint Application
---	--

County of **Santa Barbara**

City of \_\_\_\_\_, located in the County of \_\_\_\_\_

City of \_\_\_\_\_, located in the County of \_\_\_\_\_

2. Total amount of Enterprise Funds requested: \$ **300,000**

3. Official authorized to sign Grant Agreement per the governing body resolution:

Name: **Moses Edward L.**  
(Last) (First) (MI)

Title: **Housing & Community Development Director**

4. Street address of person authorized in the resolution to sign the grant agreement:

Address: **105 East Anapamu, Room 105**

**Santa Barbara, CA 93101**  
(City) (State) (Zip Code)

5. Enter dollar amount of CDBG funds requested for each use and the total amount requested:

<i>Activity</i>	<i>Requested Amount</i>
a. General Administration	\$ 22,500
b. Activity Delivery Costs	\$ 27,750
c. Business Assistance (Loans and/or public infrastructure activities)	\$
d. Microenterprise Assistance	\$249,750*
<b>Total Amount Requested</b>	<b>\$ 300,000</b>

\* ME Services, \$100,000; ME loans, \$149,750

6. Leveraged Funds: Enter the amounts and sources of financial contributions to the activity.  
**Note:** Funds shown as leverage should match funds shown in the “Sources and Uses” contained in the Activity Description section.

<i>Sources</i>	<i>Amounts</i>
Local*	\$ 0
Federal	\$ 0
Other State	\$ 0
Private*	\$125,000
Other*	\$ 0
<b>Total Leverage</b>	<b>\$ 0</b>

\* Only non-state and non-federal funds count as leverage for rating purposes.

7. National Objective: Check one of the following.

<input checked="" type="checkbox"/> Targeted Income Group Benefit	<input type="checkbox"/> Slums/Blight Removal*	<input type="checkbox"/> Urgent Need*
---	--	---------------------------------------

\* If application is approved, award will be conditioned on submission of additional information to document compliance with a national objective other than TIG benefit. Contact your CDBG Representative if you are selecting one of these national objectives.



11. Proposed Microenterprise Assistance Activities Projected Beneficiaries: Enter the amount of CDBG funding, the projected number of business start-ups and expansions, and the projected number of jobs created/retained by the proposed activity as they apply. Column c, “# of Jobs Created and Retained” will include self-employment jobs and other jobs created or retained by non-TIG microenterprises. Enter the CDBG cost per job created and retained. Enter N/A if the application is not proposing Microenterprise Assistance activities.

<i>Activity</i>	<i>a. Amount of CDBG Funds</i>	<i>b. # of Business Start-Ups and Expansions</i>	<i>c. # of Jobs Created and Retained</i>	<i>Cost Per Job Created and Retained (a÷c)</i>
<u>ME Assistance</u>				
ME Loans	\$149,750	10	10	\$14,975
ME Services	\$100,000	15	15	\$ 6,666
Total	\$249,750	25	25	\$ 9,990

12. Other Projected Microenterprise Assistance Performance Indicators: Enter the projected units of benefit related to other applicable performance indicators. Enter N/A if application is not proposing Microenterprise Assistance activities.

<i>A. Projected Benefits</i>	<i>B. # Of Beneficiaries</i>	<i>A. Projected Benefits</i>	<i>B. # Of Beneficiaries</i>
Clients Entering Employment Training Program	<b>40</b>	Clients Receiving Technical Assistance and Business Support	<b>100</b>
Clients Completing Program	<b>30</b>	Clients Receiving General Support	
Other		CDBG Loans to Microenterprises	<b>10</b>
Other		Non-CDBG loans to Microenterprises	

- See page 9 of Training Manual for descriptions of activities under this category of benefit

13. Applicant's Staff Contact Information: Enter information for the principal contact regarding this application.

Last: <b>Claybaugh</b>	First: <b>Jim</b>	MI:
Title: <b>Economic Development Coordinator</b>		
Mailing Address: <b>1100 Anacapa, Courthouse Annex</b>		
City: <b>Santa Barbara</b>	State: <b>CA</b>	Zip: <b>93101</b>
Telephone #: <b>(805) 560-1093</b> Fax #: <b>(805) 560-1096</b>		
Email: <a href="mailto:jclay@co.santa-barbara.ca.us">jclay@co.santa-barbara.ca.us</a>		

14. Consultant/Other Public Agency Contact Information: Enter information for the consultant or other public agency contact. Enter N/A if not applicable.

Last:	First:	MI:
Title:		
Mailing Address:		
City:	State:	Zip: <b>95814</b>
Phone #: Area Code:	Fax #: Area Code:	Email:

**B. LEGISLATIVE REPRESENTATIVES**

**Please use these links to verify your legislator’s correct contact info:**

California Assembly <http://www.assembly.ca.gov/acs/acsframeset9text.htm>  
 California Senate <http://www.sen.ca.gov/~newsen/senators/yoursenator.htm>  
 Member of Congress <http://www.house.gov/writerep/>

Member of the Assembly	Member of State Senate	Member of Congress
1. District No. <b>35 &amp; 33</b>	1. District No. <b>18</b>	1. District No. <b>22 &amp; 23</b>
2. Name Pedro Nava – 35 Sam Blakeslee - 33	2. Name Tom McClintock	2. Name Lois Capps – 22 Elton Gallegly - 23

**C. OFFICIAL(S) AUTHORIZED TO SUBMIT APPLICATION**

Name **Edward L. Moses**  
(Print)

Title **Director, Housing & Community Development**

Signature \_\_\_\_\_

Date \_\_\_\_\_

**D. GROWTH CONTROL AND HOUSING ELEMENT STATUS**

1. Has the applicant enacted limitations on residential construction, which limitations do not establish agricultural preserves, are not imposed by another agency, or are not based on a health and safety need?

Yes  No

2. Has the applicant submitted an adopted housing element to the Department?

Yes  No

If yes, complete and attach a self-certification that the housing element is in procedural compliance with State housing element law. See Appendix A for the required self-certification form language. Label the attachment as “*Housing Element Attachment: Section I.D.2.*”

If no, please note that a jurisdiction that cannot certify that it has submitted to the Department an adopted housing element that is in compliance with the requirements of State Housing Element law is not eligible to receive funds from the CDBG program.

**E. MAPS**

If the application is proposing targeted activities, please submit the following maps. Enter “No” if proposed activity is jurisdiction wide.

1.  Yes, a location map is attached. Label the attachment as “*Location Map Attachment: Section I.E.1.*”  
 No, the proposed activity is jurisdiction-wide.

**Note:** A location map must include:

- a. the number and boundaries of census tract(s) or enumeration districts(s) within which CDBG funds will be spent;
- b. the general location of the proposed activities, including geographic boundaries of the target or service areas covered by each activity; and
- c. attach census tape printouts showing income levels for targeted area.

2.  Yes, an Ethnic/TIG Map is attached. Label the attachment as “*Ethnic/TIG Map Attachment: Section I.E.2.*”  
 No, the proposed activity is jurisdiction-wide.

**Note:** Based on the applicant's knowledge of the area and available data, the Ethnic/TIG Map should show:

- a. the location of concentrations of non-white persons and Hispanic persons within the entire city or county; and
- b. the location of concentrations of targeted income group families within the jurisdiction

**F. ENVIRONMENTAL CLEARANCE**

A. Finding of Exemption

It is the finding of the **County of Santa Barbara** that the activities proposed in this application for State Community Development Block Grant funds are exempt from environmental review requirements under NEPA because they are defined as exempt activities in 24 CFR Part 58.34. The activity(s) judged exempt consist(s) of:

	(Brief description of activities):	NEPA Citation
1	<u>General Administration</u>	<u>58.34 (a) (3)</u>
2	<u>Activity Delivery</u>	<u>58.34 (a) (3)</u>
3	<u>Microenterprise Assistance Program</u>	<u>58.34 (a) (9)</u>
<u>Edward L. Moses</u>		
Printed Name of Authorized Official		Signature
<u>Housing &amp; Community Development Director</u>		
Title		Date

**STATUTES and REGULATIONS listed at 24 CFR 58.6**

PROJECT NAME / DESCRIPTION: **Microenterprise Assistance Program**  
General Administration and Activity Delivery Activities ONLY

Level of Environmental Review Determination: Exempt per 24 CFR 58.34  
(Exempt per 24 CFR 58.34, Categorically excluded not subject to statutes per § 58.35(b), Categorically excluded subject to statutes per § 58.35(a), Environmental Assessment per § 58.36, or EIS per 40 CFR 1500)

**FLOOD DISASTER PROTECTION ACT**

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

( ) No; Cite Source Document:

\_\_\_\_\_  
(This factor is completed).

( ) Yes; Source Document: \_\_\_\_\_ (Proceed).

2. Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

( ) Yes (Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file).

( ) No (**Federal assistance may not be used in the Special Flood Hazards Area**).

**COASTAL BARRIERS RESOURCES ACT**

1. Is the project located in a coastal barrier resource area?

( X ) No; Cite Source Documentation:

There are no coastal zone barrier resource areas in California

(This element is completed).

( ) Yes - **Federal assistance may not be used in such an area.**

**AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES**

1. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

( ) No; SD \_\_\_\_\_ Project complies with 24 CFR 51.303(a)(3).

( ) Yes; **Disclosure statement must be provided** to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record.

**Edward L. Moses, Housing & Community Development Director**

\_\_\_\_\_  
Preparer Signature / Name /Date

**Edward L. Moses, Housing & Community Development Director**

\_\_\_\_\_  
Responsible Entity Official Signature / Name / Date

**PART II: ACTIVITY DESCRIPTION FOR MICROENTERPRISE ASSISTANCE**

[8/29/02 Note to Santa Barbara County Board of Supervisors: Where information block contains “TBD” (To Be Determined) , WEV, its consultant, and County staff are continuing to develop the materials. In some cases specific application page numbers are needed. Page numbers are the last items to be completed in a grant application and will not be final until September 13. The description of the services to be included in this grant application are contained in the Board Letter and its attachments. One of the Board Letter attachments, the Subrecipient Agreement between the County and WEV, contains the WEV statement of Work at the rear. ]

**A. NEED FOR PROGRAM**

Enter the jurisdiction’s poverty rate using information contained in Appendix C of the Application Training Manual for Countywide Poverty or using target area information as documented in the NEED section of the submitted Application. . Enter the jurisdiction’s annual average unemployment rate using Appendix D of the Application Training Manual.

**EDD Website:** <http://www.calmis.ca.gov/file/lfmonth/0205pcou.txt>

<b>Applicant’s Need Rates</b>		
1.	Poverty Rate	<b>14.2</b>
2.	Annual Average Unemployment Rate	<b>4.7%</b>

1. Attach a description of any **adverse economic event**. An adverse economic event is an event which has occurred in the last 24 months which has the effect of significantly reducing employment opportunities within the applicant’s jurisdiction. Label the description as “*Adverse Economic Event Attachment: Section II, Part II, A.3.*”

**Note: Your description must include the following information:**

- a. documentation of a Presidential Declaration of Disaster or a Federal directive to provide preference or assistance.
- b. a description of the event, including the date the event occurred;

**B. LOCAL PROGRAM CAPACITY**

1. Enter the Grant Agreement number if the jurisdiction has received an **Enterprise Fund** award in the years indicated. Enter N/A if no awards were received in the years indicated.

Grant Year	Grant Agreement Number
2002	<b>02-EDBG-889</b>
2003	<b>03-EDBG-916</b>
2004	N/A

2. Enter the Grant Agreement if the jurisdiction has received an **Over-the-Counter** award in the years indicated. Indicate N/A if no awards were received in the years indicated.

Grant Year	Grant Agreement Number
2002	N/A
2003	N/A
2004	N/A

3. Enter the Grant Agreement number if the jurisdiction has received an **ED Planning and Technical Assistance** award in the years indicated. Indicate N/A if no awards were received in the years indicated.

Grant Year	Grant Agreement Number
2002	N/A
2003	N/A
2004	N/A

**Microenterprise Assistance Activity Description****Applicant: County of Santa Barbara**

4. Submit a copy of your **Program Design** and label as “*Microenterprise Assistance Program Design Attachment: Section II, Part II, B.4.*” The program design should address the items listed below. Indicate below where the following items are found and highlight those provisions in the attachment. Refer to the Application Training Manual for relevant information.
  
5. Submit a copy of your **Program Guidelines** and label as “*Microenterprise Assistance Program Guidelines Attachment: Section II, Part II, B.5.*” Program guidelines should address the items listed below. Indicate below where the following items are found and highlight those provisions in the guidelines. Refer to the Application Training Manual for relevant information. The Matrix must be a component of the Program Guidelines.
  
6. Provide a description of **Program Operator Experience** of the parties that will be involved in implementation of the program. Label the description as “*Program Operator Experience Attachment: Section II, Part II, B.6.*” The description of program operator experience should address the items listed below. Indicate below where the following items are found and highlight each provision in the description.
  
7. Provide letters of commitment from other local organizations willing to assist in implementing the program. Attach and label as “*Other Local Organization Support Attachment: Section II, Part II, B.7.*” (See page 13 of Training Manual for discussion of this factor.) Commitment letters must contain the following information:
  - a. a description of the contribution;
  - b. dollar amount of contribution or value of in-kind contribution; and
  - c. effective dates of the commitment

**C. PROGRAM EFFECTIVENESS**

1. Describe the extent to which the program complements local or regional **economic development plans**. Specify the link between the program’s design and the existing economic development plan. Attach and label as “*Economic Development Plan Attachment: Section II, Part II, C.1.*” (See page 13 of Training Manual for discussion of this factor.)

## Microenterprise Assistance Activity Description

Applicant: County of Santa Barbara

2. List the amounts and sources of private, non-State, and non-Federal leverage, other than CDBG. Leverage includes both monetary contributions and in-kind contributions to the proposed activity. Indicate the type of documentation for each source of leverage. The documentation for private equity requirements must be included in the Program Guidelines and Program Design. (See page 13 of the Training Manual for discussion of this factor.)

**Note: Refer to the Application Training Manual for a more complete description of which sources qualify as private, non-State, or non-Federal sources of leverage.**

Source of Leverage	Amount(\$)	Committed Yes/No	Form of Commitment Documentation
<b>Women's Economic Ventures – Micro-Enterprise Business Loan Program Funds</b>	<b>\$ 75,000</b>	Yes	<b>Letter from Executive Director</b>
<b>Women's Economic Ventures – In-Kind</b>	<b>\$ 50,000</b>	Yes	<b>Letter from Executive Director</b>

Attach documentation of each leverage source (except private equity requirements from business owners which should be documented in Program Guidelines) which demonstrates that the funds or in-kind contribution has been committed. Label this attachment as "*Leverage Attachment: Section II, Part II, C.2.*" Documentation must include the following:

- a. letter, resolution, or other evidence of commitment or award from contributing source (if resolution, it must be signed, dated and adopted by the governing body); and
- b. dollar amount of the contribution or value of in-kind contribution;

## Microenterprise Assistance Activity Description

Applicant: County of Santa Barbara

3. List all **sources and uses of funds** which will be used in the activity. Include anticipated CDBG funding and non-CDBG funding.

**SOURCES**

<b>USES</b>	<b>State CDBG</b>	<b>Bank</b>	<b>County</b>	<b>Other Local (Specify)</b>	<b>Owner Equity</b>	<b>WEV Small Business Loan Fund</b>	<b>Other (Specify)</b>
ME Business Assistance Loans	<b>\$149,750</b>					<b>\$ 75,000</b>	
Technical Assistance and Business Support	<b>\$100,000</b>					<b>\$ 50,000 +</b>	
General Support (childcare, transportation, counseling)							
ME Loan Activity Delivery	<b>\$27,750</b>						
General Administration	<b>\$22,500</b>						
Other Specify							
<b>Total</b>	<b>\$300,000</b>					<b>\$125,000</b>	

**\* This in-kind amount is for WEV-funded services in both Technical Assistance/Business Support and ME Loan Activity Delivery.**