

Memorandum



Date: May 5, 2009

Agenda Item No. 8(K)(1)(B)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Authorizing Transfer of Loan Guarantee Funds to Capitalize a Small Business Assistance Program

Recommendation

It is recommended that the Board of County Commissioners (BCC) authorize the transfer of \$100,000 from the Commercial Development Loan Guarantee Program (CDLGP), operated by the Black Economic Development Coalition, Inc. d/b/a Tools For Change, to Neighbors and Neighbors Association (NANA). These funds will allow NANA to fund a small business assistance program in the West Perrine area.

These CDLGP funds will serve to replace the \$100,000 in Community Development Block Grant (CDBG) funds allocated to NANA through Resolution R-802-07. The \$100,000 in CDBG funds will be recaptured through a future Action Plan amendment.

Scope

The activity will benefit 20 businesses specific to the West Perrine area within the Perrine Neighborhood Revitalization Strategy Area (NRSA) in Commission District 9.

Fiscal Impact Analysis/Funding Source

This resolution will not have a negative fiscal impact on the County. There is no request for additional funding, but simply a transfer of funding from the CDLGP to NANA.

Track Record/Monitor

NANA, a community-based organization with experience in economic revitalization programs in the small business community, will administer the small business program in West Perrine.

NANA has administered the Mom & Pop Small Business Grant Program since 1998 and more recently the Micro Loan Program funded through Tools For Change.

Background

In 1992, Miami-Dade County initiated the CDLGP and capitalized the fund with \$1,832,000 from the general fund to provide loan guarantees for businesses receiving loans from private lending institutions. The program has been administered by Tools For Change since its inception and currently has a balance of \$372,251. Of the \$372,251, approximately \$237,600 is currently set aside to guarantee six loans, none of which will be impacted by the transfer being authorized through this Resolution. .

The CDLGP, known to have contributed to the Miami-Dade County small business marketplace throughout the 1990's, has seen a reduction in demand. This is attributed to the growing number of Federal, State and County funded direct investment programs to micro to small businesses (Micro Loan Programs), including the Miami-Dade County micro loan program where direct loans are made through County funded sub recipients. Micro loan programs are more effective than the loan guarantee

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and Members, Board of County Commissioners
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program since loan guarantee programs require the small business to secure direct lending from private institutions, which are often hesitant to lend to a small business.

Through R-802-08, the West Perrine Community Advisory Committee (CAC), as part of the 2007 Consolidated Request for Application Process, allocated \$100,000 of CDBG funds to NANA for technical assistance. The scope of services under the \$100,000 award provides for a small business assistance program in West Perrine. In order to enable NANA to address the needs of the targeted businesses, which require more than just technical assistance, CDLGP are recommended to be transferred so that NANA can provide direct financial assistance as well.

In addition, CDBG funds require the recipient meet a national objective where as CDLGP funds are more flexible; therefore, NANA's CDBG allocations is being replaced with CDLGP funds. While 20 businesses in the area will be assisted, this activity will not meet a CDBG required national objective and as such, must utilize a different funding source. As a result, the \$100,000 in CDBG funds approved for NANA through Resolution R-802-07 will be recaptured and reallocated through a future Action Plan amendment for other eligible economic development activities to be approved by the BCC in a separate resolution.


Cynthia W. Curry
Senior Advisor to the County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: May 5, 2009

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(K)(1)(B)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Mayor's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

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5-5-09

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE TRANSFER OF \$100,000 IN COMMERCIAL DEVELOPMENT LOAN GUARANTEE PROGRAM FUNDS TO CAPITALIZE A SMALL BUSINESS ASSISTANCE PROGRAM IN WEST PERRINE AND FURTHERMORE AUTHORIZING COUNTY MAYOR OR MAYOR'S DESIGNEE TO EXECUTE OR AMEND ALL CONTRACTS AS NECESSARY TO EFFECTUATE THE TRANSFER

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the transfer of \$100,000 of Loan Guarantee Funds to provide funds to Neighbors and Neighbors Association, Inc. for a small business assistance program in the West Perrine area and furthermore authorize the County Mayor or the Mayor's designee to execute or amend all contracts as necessary to effectuate the transfer.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of May, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. 

By: _____
Deputy Clerk

Shannon D. Summerset

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR



Legislative Notes

Agenda Item: 8(K)1(B)

File Number: 090898

Committee(s) of Reference: Board of County Commissioners

Date of Analysis: April 23, 2009

Type of Item: Transfer of Loan Guarantee Funds

Summary

This resolution authorizes the transfer of \$100,000 from the Commercial Development Block Grant Program (CDLGP) operated by the Black Economic Development Coalition, Inc. d/b/a Tools for Change, to Neighbors and Neighbors Association (NANA).

Background and Relevant Legislation

On July 10, 2007, the Board of County Commissioners (Board) authorized the County Manager to amend the FY 2007 Action Plan to recapture unexpended funds from current and prior year projects and reallocate \$15,334,100.99 of FY 1999, 2001, 2002, 2004, 2005, 2006 and 2007 Community Development Block Grant Funds (CDBG). NANA received \$100,000 in CDBG funds approved via this resolution.

Policy Change and Implication

This resolution only authorizes the transfer of funding. An amendment to the Action Plan will be necessary to recapture the \$100,000 in CDBG funds from NANA.

Question(s)

Does the County have a codified process establishing the process and timeline for recapturing and reallocating funds?

Budgetary Impact

None

Prepared by:

Tiandra D. Sullivan