

RESOLUTION NO. _____ (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE A GROW SANTA CRUZ COUNTY REVOLVING LOAN PROGRAM MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF WATSONVILLE, CITY OF SANTA CRUZ, CITY OF SCOTTS VALLEY, CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, THE SMALL BUSINESS DEVELOPMENT CENTER (SBDC) AND THE NATIONAL DEVELOPMENT COUNCIL (NDC); TO CREATE A REVOLVING LOAN PROGRAM IN SANTA CRUZ COUNTY, SUBJECT TO LEGAL APPROVAL; AND DIRECTING STAFF TO CARRY OUT THE DUTIES OF SUPPORTING THE REVOLVING LOAN PROGRAM (RLF)

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748, Public Law No. 116-136), signed into law on March 27, 2020, provides funding to the U.S. Department of Commerce, Economic Development Administration (EDA) and its Economic Adjustment Assistance Program (EAA) to assist communities affected by the COVID-19 pandemic; and

WHEREAS, on July 7, 2019, Council adopted Resolution No. 125-20 (CM), authorizing the City Manager to apply for and accept an EAA Grant from the U.S. Department of Commerce, Economic Development Administration to fund a Revolving Loan Fund (RLF) for Santa Cruz County with participating County of Santa Cruz jurisdictions; and

WHEREAS, the City of Santa Cruz is the lead on the formation of a County RLF; and

WHEREAS, the National Development Council (NDC) was awarded a \$2.75 million Economic Development Revolving Loan Fund to create a revolving loan program in Santa Cruz County to make loans to businesses that cannot otherwise obtain traditional bank financing; and

WHEREAS, NDC directs capital to support the development and preservation of affordable housing, creates jobs through small business lending, advances livable communities with social infrastructure investment, and builds capacity with hands-on technical assistance to local governments; and

WHEREAS, the project, to be matched with \$687,500 in local funds, is expected to create 18 jobs, retain 138 jobs, and generate \$1 million in private investment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the Council hereby authorizes and directs the City Manager execute such Memorandum of Understanding with the City of Santa Cruz, City of Scotts Valley, City of Capitola, County of Santa Cruz, the SBDC and NDC, on behalf of the City of Watsonville, subject to legal approval.
2. That the Council hereby directs City staff to carry out the duties of supporting the Grow Santa Cruz Revolving Loan Program.
3. That the Council hereby directs the City Clerk to affix the document(s) to this resolution.
