



Legislation Details (With Text)

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Title: Approve a 10-year agreement with Cen Cal Business Finance Group, Inc. (Cen Cal) to administer the Revolving Loan Fund (RLF) Program
Sponsors: Mayor's Office
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Attachments: 1. RLF Evaluation Committee Report.pdf, 2. RLF Matrix Summary of Information Submitted by Proposer.pdf, 3. 10 Year EDA RLF Agreement with Cen Cal.pdf

Date	Ver.	Action By	Action	Result
8/22/2019	1	City Council	continued	

REPORT TO THE CITY COUNCIL

August 22, 2019

FROM: WILMA QUAN, City Manager
Office of the Mayor & City Manager

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Office of the Mayor & City Manager

SUBJECT

Approve a 10-year agreement with Cen Cal Business Finance Group, Inc. (Cen Cal) to administer the Revolving Loan Fund (RLF) Program

RECOMMENDATION

Staff recommends Council approve the 10-year agreement with Cen Cal to administer the City of Fresno's RLF program.

EXECUTIVE SUMMARY

The City of Fresno currently has approximately \$795,000 of Economic Adjustment Assistance grant funds from the Economic Development Administration of the United States Department of Commerce (EDA) established in a RLF. Currently, the balance of the loan portfolio is approximately \$651,000 with a remaining \$144,000 available to lend.

On March, 11, 2019 a Request for Proposals (RFP) was released to solicit proposals to administer this program and one proposal was received. That proposal was from the current service provider, Cen Cal, who has been administering the City's RLF Program for over 20 years.

The proposal from Cen Cal was deemed satisfactory by the Evaluation Committee. In addition, over the past 20 years Cen Cal has demonstrated the ability to meet stated service requirements and conform to all City and EDA requirements. Therefore, it is staff's recommendation that Council approve a new 10-year agreement with Cen Cal to continue to administer the RLF.

BACKGROUND

In 1980, the EDA approved a \$600,000 Grant to the City of Fresno to establish a RLF. In 1989, the EDA deobligated \$100,750 of the grant funds resulting in a RLF balance of \$499,250. Since then, the funding has grown to approximately \$795,000 with around \$144,000 currently available to lend.

The goal of the RLF is to provide financial assistance to businesses that, while credit worthy, are not able to obtain financing from the private sector. The RLF serves as a critical component of the City's efforts to diversify and enhance the economic base of the community and enhance the quality of life of its residents.

Since January 21, 1999, the City's RLF Program has been administered by Cen Cal (formerly known as Fresno Certified Development Corporation). In January, 2009, a new 10-year agreement was approved with Cen Cal to continue to administer the program. That agreement was extended in January, 2019 and will expire on July 20, 2019. Over the past 20 years, Cen Cal has demonstrated their ability to meet all requirements and conform to all City of Fresno and EDA requirements.

ENVIRONMENTAL FINDINGS

In accordance with Section 15061(b)(3) of the CEQA Guidelines, the project has been determined not to be subject to the requirements of CEQA. It can be seen with certainty that there is no possibility that entering into an Economic Incentive Agreement may have a significant adverse effect on the environment. Therefore, the agreement is not subject to CEQA.

LOCAL PREFERENCE

Cen Cal is a local provider, however, local preference was not considered because this contract is funded by the federal government.

FISCAL IMPACT

Administrator's compensation for the services is payable from and limited to the RLF income it generates through granting and collecting loans. There is no fiscal impact to the City of Fresno.

Attachments:

- 1) RFP Evaluation Committee Report (with Matrix)
- 2) RLF Administration Agreement with Cen Cal Business Finance Group, Inc.