

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
FEDERAL PROGRAMS BRANCH**



Community Development Block Grant (CDBG) Program – Economic Development Allocation

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Received

MAY 12 2011

Solano Cty. CAO

May 10, 2011

Michael D. Johnson
County Administrator
County of Solano
675 Texas Street, Suite 6500
Fairfield, CA 94533

RE: CDBG Grant 09-EDEF-5892 – CHEPO'S TAMALES Microenterprise Loan

Dear Mr. Johnson:

This letter documents the receipt of the County of Solano (the County's) written request for a grant loan approval for CHEPO'S TAMALES AND GROCERIES. The loan was underwritten using the current Community Development Block Grant (CDBG) Business Assistance Program Guidelines. The loan package submitted for approval included:

- Completion of Part 1 and Part 2 with supporting documentation and underwriting;
- Income qualified based on 24 CFR Part 5 and Review of Documents Method
- Memorandum for local approval by jurisdiction;
- Environmental Review Record (Categorically Excluded – 24 CFR 58.5 & 58.6);
- Clearance from Office of Historic Preservation (SHPO), April 11, 2011
- Documentation of no relocation / displacement activities triggered by loan;
- Documentation of no Davis Bacon prevailing wage monitoring triggered;
- Compliance with Debarred status/EPLS; and
- Three Party Employment Plan / Employment Agreement

The County's request has been of a \$50,000 CDBG business loan is approved.

The sources of funds for this loan are as follows:

CDBG GRANT FUNDS - \$50,000

Meeting CDBG National Objective: The loan meets the national objective of expanding economic opportunities, principally for low and/or moderate-income persons (TIG).

Meeting Public Benefit Requirement: The Public Benefit (cost per job) requirement associated with Business Assistance activities and loans are not applicable to Micro-enterprise loans that meet the national objective of assistance to Low-Moderate income households as determined using the Income Calculation and Determination Guide for Federal Programs and 24 CFR 5.609 ("Part 5") definition of income and 'review of documents' method.

Compliance with Program Guidelines: In comparing the loan terms and conditions to the current program guidelines, the loan meets the underwriting criteria of the guidelines.

Loan Security and Borrower Equity Investment: The County will be securing the loan by 1) UCC filings on business equipment; 2) business property and vehicle; and 3) Personal Guarantees from both owners.

Loan Contingencies and Special Conditions: none.

Should you have any questions please contact John Almanza at (916) 323-1450 or via e-mail at jalmanza@hcd.ca.gov.

Sincerely,



Mimi Bettencourt
CDBG Economic Development Program Manager

cc: Stephen Pierce, Public Communications Officer
Charles Eason, Director, Solano College SBDC

Living File