

RESOLUTION NUMBER R- 316129DATE OF FINAL PASSAGE APR 03 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING A REQUEST TO THE UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION TO DEFEDERALIZE THE SAN DIEGO REGION REVOLVING LOAN FUND AND APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CHULA VISTA FOR THE OPERATION OF THE REVOLVING LOAN FUND.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

- A. The City of San Diego (City) is a grantee and administrator of the San Diego Region Revolving Loan Fund (RLF), grant 07-57-05269, first established in 2002 and consolidated in 2019, and includes \$1,383,308 in funding from the U.S. Department of Commerce Economic Development Administration (EDA), \$1,283,308 in City matching funds, and \$100,000 from the City of Chula Vista (Chula Vista).
- B. The City operates the RLF for the benefit of businesses in the City and Chula Vista under a memorandum of understanding between the City and Chula Vista and in accordance with the policies and procedures contained in the RLF administrative plan approved by the EDA, and with the guidance of the San Diego Revolving Loan Fund Advisory Board.
- C. The RLF is a source of financing to small businesses that may not otherwise be able to obtain financing and is used for working capital, property acquisition, and inventory and purchase of machinery and equipment.
- D. The Reinvigorating Lending for the Future Act of 2020 authorizes the EDA to release its federal interest in certain RLF awards that have operated satisfactorily for seven

years beyond the disbursement of initial grant funds. The release in federal interest, known as defederalization, removes certain reporting requirements administered by the EDA and allows the defederalized funds to be used for broader economic development purposes.

E. Under the Public Works and Economic Development Act of 1965 (PWEDA), defederalized funds can be used for lending to for-profit and non-profit businesses, grant activity to non-profit and public entities, building support infrastructure in RLF administration and management, offsetting RLF operating costs, and federal grant matching opportunities.

F. The City desires to submit a request to the EDA to release its federal interest in the RLF so that the City can continue to operate the RLF for the benefit of businesses in the City and use a portion of defederalized funds for the broader economic development purposes permitted by PWEDA. The City is committed to using the defederalized funds for activities that carry out the economic development purposes of PWEDA in compliance with the continued restrictions required by PWEDA and the EDA release agreement.

G. The City and Chula Vista desire to unwind the combined RLF and enter into a new memorandum of understanding (MOU) to reflect the City's operation of the defederalized RLF and obligation to continue to administer existing loans to businesses located in Chula Vista. A copy of the proposed MOU is included in the docket materials accompanying this Resolution.

H. The Chula Vista City Council is expected to consider the approval of the proposed MOU in April 2025.

I. The Office of the City Attorney prepared this Resolution based on the information provided by City staff (including information provided by affected third parties

and verified by City staff), with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it resolved by the Council of the City of San Diego:

1. The Council approves the MOU, and authorizes the Mayor or designee, in consultation with the City Attorney, to make any non-material changes to the MOU as may be requested by Chula Vista.

2. The Mayor, or designee, is authorized and directed, on the City's behalf, to sign the MOU and take all other reasonable actions that are necessary or appropriate to perform the City's obligations under the MOU. A copy of the MOU, when fully signed, will be placed on file with the Office of the City Clerk as Document No. RR- 316129.

3. The Mayor, or designee, is authorized and directed, on the City's behalf, to submit a request to the EDA to release its federal interest in the RLF.

4. The Mayor, or designee, is authorized and directed to accept and enter into an agreement with the EDA to release the federal interest in the RLF, to sign any and all documents, and to take all other reasonable actions that are necessary or appropriate to defederalize the RLF.

5. The Chief Financial Officer, or designee, is authorized to appropriate and expend an amount not to exceed \$2,000,000 for the San Diego Regional RLF Fund (Fund 200804) for direct and intermediary lending activities and expenses for related personnel and non-personnel costs for administration and management of the RLF.

6. The Chief Financial Officer, or designee, is authorized to establish an interest-bearing account to transfer the excess balance of the defederalized RLF funds, approximately \$1,600,000, based on the RLF fund amount at the time of the EDA approval of the

defederalization request, for an EDA defederalized fund to administer broader economic development activities permitted by PWEDA.

7. The Chief Financial Officer, or designee, subject to the Mayor's approval, is authorized to reallocate funds from one Economic Development program to another Economic Development program at the request of the Economic Development Department Director, contingent on the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

APPROVED: HEATHER FERBERT, City Attorney

By Marguerite Midaugh
Marguerite Ella Midaugh
Deputy City Attorney

MEM:jdf
03/19/2025
Or.Dept: Econ.Dev.Dept.
Doc. No. 3998444

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on MAR 25 2025.

DIANA J.S. FUENTES
City Clerk

By Carnie Patterson
Deputy City Clerk

Approved: 4/1/25
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAR 25 2025, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Foster III	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 03 2025.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

DIANA J.S. FUENTES

(Seal)

City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy
for Connie Patterson

Office of the City Clerk, San Diego, California

316129

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