



County Of San Diego

Board Of Supervisors

1600 Pacific Highway, Room 335, San Diego, California 92101-2470

Agenda Item

Date: September 1, 2026

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To: Board of Supervisors

Promoting Economic Development by Authorizing a \$300,000 Grant to the East County Economic Development Council for the Empower East County Business Fund Revolving Loan Fund (Districts: All)

Overview

Small businesses are a critical driver of economic growth and job creation throughout East County and the greater San Diego region. However, many entrepreneurs, microbusinesses, and expanding companies face significant barriers in accessing the capital necessary to grow, stabilize operations, and invest in their future. Traditional lenders often require substantial collateral, strong credit histories, and established cash flow, leaving many otherwise viable businesses unable to secure the financing they need.

The Empower East County Business Fund Revolving Loan Fund was established to address the financing gap faced by small businesses that may not yet qualify for conventional lending but demonstrate business viability, repayment potential, and a commitment to strengthening their local communities. This alternative to traditional financing sources will support businesses that require smaller loan amounts or operate in sectors and communities with limited access to capital.

The program has made significant progress in transitioning from the planning phase to implementation. Federal funding has been awarded and accepted through the United States Economic Development Administration, establishing the foundation for the program's launch. In addition, the Revolving Loan Fund strategy has been completed, and a comprehensive framework has been developed outlining eligibility criteria, approved uses of funds, loan amounts, underwriting standards, and portfolio requirements, positioning the program to expand economic opportunities throughout East County.

The recommended \$300,000 grant is necessary to ensure the continued operation and effectiveness of the Empower East County Business Fund Revolving Loan Fund following the loss of a previously committed funding source. Without additional financial support, the program's ability to provide loans to eligible small businesses and entrepreneurs would be significantly reduced. If approved, this County grant would also result in the Empower East County Business Fund

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Revolving Loan Fund receiving an initial \$400,000 in federal funding from the Economic Development Administration, with the potential to receive additional federal funding in the future.

We are, therefore, recommending the approval of a \$300,000 grant to the East County Economic Development Council to support the Empower East County Business Fund Revolving Loan Fund. This investment will expand access to capital for small businesses across the region, promote economic development, support local job creation, and strengthen the long-term economic vitality of East County and San Diego County as a whole.

Recommendation by Supervisor Joel Anderson And Supervisor Monica Montgomery Steppe

- 1) Transfer appropriations of \$300,000 from the Office of Emergency Services (OES), Services & Supplies, to the Office of Economic Development and Government Affairs (EDGA), Contributions to Others based on operational savings within OES from appropriations capacity that is not expected to be used; and allocate \$300,000 to the East County Economic Development Council upon successful negotiation of a one-time grant agreement to support the Empower East County Business Fund Revolving Loan Fund.
- 2) Find that the grant has a public purpose.
- 3) Authorize the Chief Administrative Officer, or designee, to execute all necessary agreements and related documents required to implement the grant, subject to review and approval by County Counsel.
- 4) Direct the Chief Administrative Officer to take any additional actions necessary to carry out the intent of today's action.

Equity Impact Statement

The Empower East County Business Fund Revolving Loan Fund is intended to create equitable access to capital and business support services for small businesses and entrepreneurs throughout East County. The fund offers flexible financing and supports business assistance programs designed to address barriers that may limit access to traditional lending, particularly for start-ups, microbusinesses, minority- and women-owned businesses, and businesses located in underserved communities. The program focuses on promoting economic inclusion, business sustainability, and job sustainability through outreach and services designed to target a wide variety of business owners.

Sustainability Impact Statement

The Empower East County Business Fund Revolving Loan Fund ensures that economic sustainability through its revolving source of capital can be reinvested into local businesses as loans are repaid. By supporting small business development, retaining jobs, and fostering entrepreneurship, the program can enhance economic sustainability in East County communities.

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Fiscal Impact

Funds for this request are included in the Fiscal Year 2026-27 Operational Plan in the Office of Emergency Services (OES) based on General Fund balance that was carried forward from the prior fiscal year and originally identified for the procurement of an infrastructure mapping system. Funds are no longer needed for the procurement due to the No Award determination on the Request for Proposals (RFP) 12872 for Critical Infrastructure Documentation Initiative Services. The conclusion of No Award was reached after no proposals met the County's requirements and because portions of the field documentation activities were duplicative to long-term efforts already underway at the County. Because of this determination, a total of \$2.5 million previously allocated for RFP 12872 for Critical Infrastructure Documentation Initiative Services is no longer required for this project. If these recommendations are approved, \$300,000 will be transferred from OES to the Office of Economic Development and Government Affairs for a one-time grant to the East County Economic Development Council in Fiscal Year 2026-27. There will be no change in net General Fund cost and no additional staff years.

The remaining \$2.2 million budgeted in Fiscal Year 2026-27 for the infrastructure mapping system is proposed to be used for the El Capitan Boat Launch Ramp Extension project, subject to the approval of the Board in a separate agenda item.

Business Impact Statement

The Empower East County Business Fund Revolving Loan Fund is expected to foster local businesses in the area by improving access to flexible loans for entrepreneurs, start-ups, and small businesses that may not qualify for traditional lending. The program will be used to facilitate business growth, expansion, retention, and job creation by making funds available for working capital requirements, purchase of equipment, inventory management, facility improvements, and other investments related to businesses. Through collaboration with the East County Small Business Development Center, participating businesses will be granted access to technical assistance and tools to facilitate the growth of their business, generate jobs, and ensure sustainability. This program is intended to develop small businesses, foster entrepreneurship, and create economic resilience in East County.

Advisory Board Statement

N/A

Background

Access to capital remains a persistent obstacle for many small businesses and entrepreneurs throughout East County. Although traditional financial institutions continue to play an essential role in supporting economic development, many businesses are unable to secure adequate financing due to limited collateral, insufficient operating history, credit limitations, lack of owner equity, or project risks that fall outside standard lending requirements.

These barriers disproportionately affect start-ups, microbusinesses, expanding enterprises, and businesses located in underserved communities where access to flexible financing options is limited. While many of these businesses have strong potential for long-term success, they often

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require financing solutions that are smaller in scale and more adaptable than those offered through conventional lending institutions.

The Empower East County Business Fund Revolving Loan Fund was established to address this financing gap by providing loans to eligible businesses that are unable to obtain sufficient traditional financing on terms that would allow their projects to proceed. The revolving loan fund is designed to complement existing financing sources by increasing access to capital, strengthening borrower readiness, and supporting business expansion, operational stability, equipment purchases, working capital needs, and job creation throughout East County.

The program has made substantial progress in transitioning from the planning phase to implementation. Federal funding has been awarded and accepted through the United States Economic Development Administration, establishing the foundation for the program's launch. If approved, this County grant would also result in the Empower East County Business Fund Revolving Loan Fund receiving an initial \$400,000 in federal funding from the Economic Development Administration, with the potential to receive additional federal funding in the future. In addition, the Revolving Loan Fund strategy has been completed, and a comprehensive framework has been developed outlining eligibility criteria, approved uses of funds, loan amounts, underwriting standards, and portfolio requirements. The program's service area includes the cities of El Cajon, Santee, La Mesa, Lemon Grove, and unincorporated East County, and has been structured to pair financial assistance with technical support provided by the Small Business Development Center.

The East County Economic Development Council has also engaged local jurisdictions and community stakeholders to prepare for implementation and ensure that the program is positioned to effectively serve businesses throughout the region. However, recent changes in anticipated local funding commitments, including the withdrawal of previously expected support from the City of El Cajon, have created a funding shortfall that threatens the program's ability to launch at its originally intended scale.

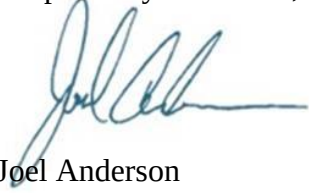
Approval of today's action is in the public interest because it will provide the East County Economic Development Council with the resources necessary to address this funding gap and preserve a critical source of capital for small businesses and entrepreneurs across East County, promoting economic opportunity, business growth, and job creation throughout the region.

Linkage To The County Of San Diego Strategic Plan

Awarding a grant to the Empower East County Business Fund Revolving Loan Fund aligns with the County of San Diego's 2026-2031 Strategic Plan Equity (Economic Opportunity) initiative by dismantling barriers to expanding opportunities to traditionally underserved communities and businesses and by advancing opportunities for economic growth and development to all individuals and the community. The fund expands economic opportunities by supporting small business development, facilitating job creation, and building resilience within the community. Through flexible financing and technical assistance, the program promotes inclusive economic development and long-term economic sustainability throughout East County.

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Respectfully submitted,



Joel Anderson
Supervisor, Second District



Monica Montgomery Steppe
Supervisor, Fourth District

Attachment(s)

N/A