

## AGENDA



Thursday, August 27, 2009

**Neighborhood Housing and Community Development  
RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 26**

**Subject:** Authorize the negotiation and execution of a forgivable loan in the amount not to exceed \$500,000 to PeopleFund, for construction costs associated with the development of the People Fund Economic Opportunity Center, located at 1700 Alexander Avenue, Austin, Texas.

**Amount and Source of Funding:** Funding is available through the Community Development Block Grant Recovery Funds in the Fiscal Year 2009- 2010. Neighborhood Housing and Community Development budget allocation under the Public Facilities Program.

**For More Information:** Margaret R. Shaw, Director, Neighborhood Housing and Community Development, 974-3184

**Boards and Commission Action:** April 14, 2009 and May 12, 2009 - The Community Development Commission reviewed and made recommendations to City Council on a substantial amendment to the 2008-2009 Action Plan.

**Prior Council Action:** April 23, 2009 - A public hearing was held. May 14, 2009 - Resolution No. 20090514-019 approved a Substantial Amendment to the City's (1) Fiscal Years 2004-2009 Consolidated Plan; (2) Annual Action Plan for Fiscal Year 2008-2009, required by the U.S. Department of Housing and Urban Development; and (3) the Texas Local Government Code Chapter 373, Community Development 2008-2009 program. June 11, 2009 - Amended language to the Substantial Amendment was approved.

A forgivable loan in the amount not to exceed \$500,000 to PeopleFund will expedite construction of the Center for Economic Opportunity. This two-story facility will provide comprehensive services to local small businesses and low- to moderate-income homebuyers. The Center will be located in a new transit oriented development, Chestnut Commons, which is strategically located in a historically disadvantaged neighborhood within the MLK Station Area. The new facility's proximity to rail and bus transportation is central to providing easy access to those clients who have been critically impacted by the economic recession.

The Center itself will be a place where the community can learn new financial skills and small businesses can acquire much needed financing. In addition, half of the facility will house affordable shared office space for small businesses. This will provide a central location equipped with modern technology for small businesses at a rate previously not offered in the Austin area, with ready access to technical assistance. The shared office will serve as an incubator for small businesses and provide the needed investment for economic efficiency and long-term economic development. The Center will also allow PeopleFund to grow its affordable home program which in two years of operation has closed on 119 homes in the Robert Mueller Municipal Airport redevelopment (RMMA) to families at 80 percent of Median Family Income (MFI – currently \$58650 for a family of four) or lower.

The building will be LEED Silver Certified by the U.S. Green Building Council and will use rapidly renewable materials. Features will include water efficient landscaping, acceptable refrigerants and condensing equipment as well as other energy efficient features which fosters energy independence.

These funds are made available from the United States Department of Housing and Urban Development through Obama Administration's American Recovery and Reinvestment Act of 2009, also known as the Stimulus Act. The grant is in the amount of \$2,003,003 of Community Development Block Grant-Recovery funds to be administered by the Neighborhood Housing and Community Development office. These funds will be used in a manner that maximizes job creation and economic benefit. These funds will be used in a manner that maximizes job creation and economic benefit and will, therefore, be subject to increased transparency and accountability.