

## AGENDA



Thursday, January 27, 2011

**Economic Growth & Redevelopment Services  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 19**

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**Subject:** Approve a resolution authorizing an application to the U.S. Department of Housing and Urban Development (HUD) for funding in an amount up to \$8,000,000 in Section 108 Loan Assistance Program Funds and up to \$2,000,000 in Brownfields Economic Development Initiative (BEDI) Grant funds to carry out eligible economic development activities pursuant to 24 CFR 570.703 (h)(2) and 570.204.

**Amount and Source of Funding:** \$2,000,000 Brownfields Economic Development Initiative Grants and \$8,000,000 in loan funds guaranteed by the U.S. Department of Housing and Urban Development through its Section 108 Loan Guarantee Assistance Program. If the grant applications are approved, the Fiscal Year 2010 - 2011 Operating Budget of the Economic Growth and Redevelopment Services Office will be subsequently amended.

**Fiscal Note:** A fiscal note is not required.

**For More Information:** Kevin Johns, Director/EGRSO, 974-7802

**Boards and Commission Action:** Recommended by the Community Development Commission.

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Approval of this action will authorize the Economic Growth and Redevelopment Services Office to apply for up to \$2,000,000 in Brownfields Economic Development Initiative (BEDI) grant and up to \$8,000,000 in Section 108 Loan Guarantee Assistance from the U.S. Department of Housing and Urban Development to commence additional economic development within the Plaza Saltillo Transit Oriented Development District. The grants and loans will be used to create 209 jobs from local Saltillo businesses.

The purpose of the BEDI program is to spur the return of Brownfields to productive economic use through financial assistance and to enhance the security, or improve the viability of, the project financed with Section 108 guaranteed loan authority. Therefore BEDI grants must be used in conjunction with a new Section 108 guaranteed loan commitment. Section 108 is the loan guarantee provision of the Community Development Block Grant (CBDG) program.

Authorization to apply for the Fiscal Year 2011 grant award will benefit low-income and moderate-income persons through the creation or retention of businesses, and jobs. This funding will be leveraged with approximately \$46,584,000 in private sector investment in the district for a total investment of approximately \$56,584,000. There is no requirement for a local funding match.