

ORDINANCE NO. 20120524-016

AN ORDINANCE AMENDING THE FISCAL YEAR 2011-2012 SCHEDULE OF FEES, FINES, AND OTHER CHARGES (ORDINANCE NO. 20110912-007) TO AUTHORIZE FEES FOR THE FAMILY BUSINESS LOAN PROGRAM.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings.

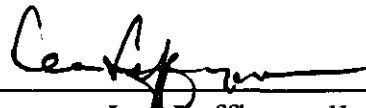
- (A) The Family Business Loan Program (FBLP) is a public-private partnership loan program that enables Austin small businesses to finance business expansions that create jobs.
- (B) Under the program guidelines, the FBLP will make low-interest fixed asset and working capital loans to qualified Austin small business owners who are ready to expand their business and create jobs. The City will partner with local SBA Section 504 certified community lenders and local private bank members of the Federal Home Loan Bank to provide these loans.
- (C) The FBLP will provide a means for revitalizing disadvantaged areas and creating jobs for chronically unemployed or under-employed populations.
- (D) The FBLP will be funded through a U.S. Department of Housing and Urban Development (HUD) loan guarantee under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended.
- (E) The regulations for the loan guarantee program allow the City to collect fees and interest to offset costs for processing the application, servicing the approved loans, ensuring loans are in compliance with HUD requirements, and managing the loan portfolio.

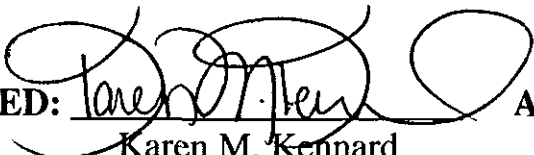
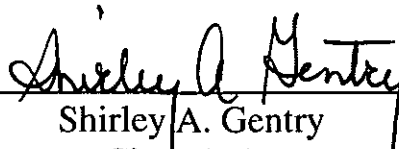
PART 2. The 2011-12 Fee Schedule attached as Exhibit "A" to Ordinance No. 20110912-007 is amended to authorize fees related to the Family Business Loan Program, Economic Growth and Redevelopment Services Office, as follows:

	Approved <u>2010-11</u>	Approved <u>2011-12</u>
<i>Economic Growth and Redevelopment Services Office</i>		
Family Business Loan Program (new)		
Application Fee (non-refundable)	N/A	\$200.00
Origination Fee	N/A	2% to 5% of total HUD 108 loan amount, depending on the job creation benefit of the loan.
SBA Section 504 Lender Fee	N/A	50% of SBA Section 504 lender's fee.
Cost Reimbursement Amount	N/A	Amount of out-of- pocket expenses incurred by City in processing the loan.
Late Payment Fee	N/A	\$100.00

PART 3. This ordinance takes effect on June 4, 2012.

PASSED AND APPROVED

_____ May 24 _____, 2012 §
 §
 § 
 § Lee Leffingwell
 Mayor

APPROVED:  **ATTEST:** 
 Karen M. Kennard Shirley A. Gentry
 City Attorney City Clerk