

# OPERATING BUDGET FISCAL NOTE

#27

DATE OF COUNCIL CONSIDERATION:  
CONTACT DEPARTMENT(S):  
FUND:

6/28/12  
Economic Growth and Redevelopment Services  
Section 108 Family Business Loan Program Fund

**SUBJECT:** Approve an ordinance amending the Fiscal Year 2011-2012 Economic Growth and Redevelopment Services Office Operating Budget Special Revenue Fund (Ordinance 2011912-005) to create the Section 108 Family Business Loan Program Fund, to receive revenue in the amount of \$3,000,000 from the US Department of Housing and Urban Development Section 108 and appropriate \$3,000,000 to fund the Family Business Loan Program.

**CURRENT YEAR IMPACT:**

|   | 2011-12<br>Approved | This<br>Action | 2011-12<br>Amended |
|---|---------------------|----------------|--------------------|
| Beginning Balance   | 0                   | 0              | 0                  |
| Revenue   |                     |                |                    |
| HUD Section 108   | 0                   | 3,000,000      | 3,000,000          |
| Total Revenue   | 0                   | 3,000,000      | 3,000,000          |
| Requirements  |                     |                |                    |
| Family Business Loan Program                                      | 0                   | 3,000,000      | 3,000,000          |
| Total Operating Requirements                                      | 0                   | 3,000,000      | 3,000,000          |
| Excess (Deficiency) of Total Available Over<br>Total Requirements | 0                   | 0              | 0                  |
| Ending Balance  | 0                   | 0              | 0                  |

**FIVE-YEAR IMPACT:**

|                    | FY 2012   | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|--------------------|-----------|---------|---------|---------|---------|
| Beginning Balance  | 0         | 0       | 0       | 0       | 0       |
| Total Revenue      | 3,000,000 | 0       | 0       | 0       | 0       |
| Total Requirements | 3,000,000 | 0       | 0       | 0       | 0       |
| Net Budget Impact  | 0         | 0       | 0       | 0       | 0       |

**ANALYSIS / ADDITIONAL INFORMATION:** This action creates the Section 108 Family Business Loan Program Fund appropriation revenue and expenses of \$3,000,000 to establish the Family Business Loan Program. To meet HUD's loan payment requirements, EGRSO will pledge the loan repayments from the borrowers of the Family Business Loan Program. In years one and two, interest only will be due in the amount of \$95,188. In the remaining years, both principal and interest will be due.