RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 7
AGENDA DATE: Thu 06/17/2004
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SUBJECT: Approve the negotiation and execution of a deferred forgivable loan to SOUTHWEST KEY PROGRAM, INC., Austin, TX, or its affiliate in an amount not to exceed $367,108 under the Public Facilities Program for costs associated with the proposed construction of the East Side Community Development Project which is designed to provide various resources to at-risk youth and families, including workforce skills development, G.E.D. preparatory classes, pre-vocational training, college preparation, and adult education classes.

AMOUNT & SOURCE OF FUNDING: Funding is available in Community Development Block Grant Funds (CDBG) in the Fiscal Year 2003-2004 Neighborhood Housing and Community Development budget allocation under the Public Facilities Program.

FISCAL NOTE: *There is no unanticipated fiscal impact. A fiscal note is not required.*

REQUESTING DEPARTMENT: Neighborhood Housing and Community Development

DIRECTOR'S AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Community Development Officer, Neighborhood Housing and Community Development, 974-3108.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This action will authorize the negotiation and execution of a deferred forgivable loan to Southwest Key for costs associated with the development of the East Side Community Development Project. Southwest Key is also proposing to build 23,300 square feet of office space to house the Southwest Key Program's national corporate offices, as well as space for an alternative school and a community-based alternative to a juvenile detention facility.

The goal of the East Side Community Development Project is to provide various resources to Austin residents including workforce skills development, G.E.D. preparatory classes, pre-vocational training, college preparation, and adult classes. These services will be provided during the day and in the evening to accommodate working youth and adults. Southwest Key will provide services to neighborhood residents and youth citywide. The services will include but not be limited to: adult basic education classes, after school tutoring to youth, and ongoing Internet access with will be provided for a minimum of 10 years. The total space available for community use is 2160 square feet (9.3%) of the 23,300 square foot building. The 2160 square feet will consist of 960 square feet for the actual Center and 1200 square feet for a meeting/community room.

The estimated cost of the project is $4,000,000. Southwest Key continues to seek financial commitments from various funding sources. In order to begin construction, Southwest Key is requesting current Fiscal Year Community Development Block Grant Funds (CDBG) to assist in the predevelopment phase of their project.